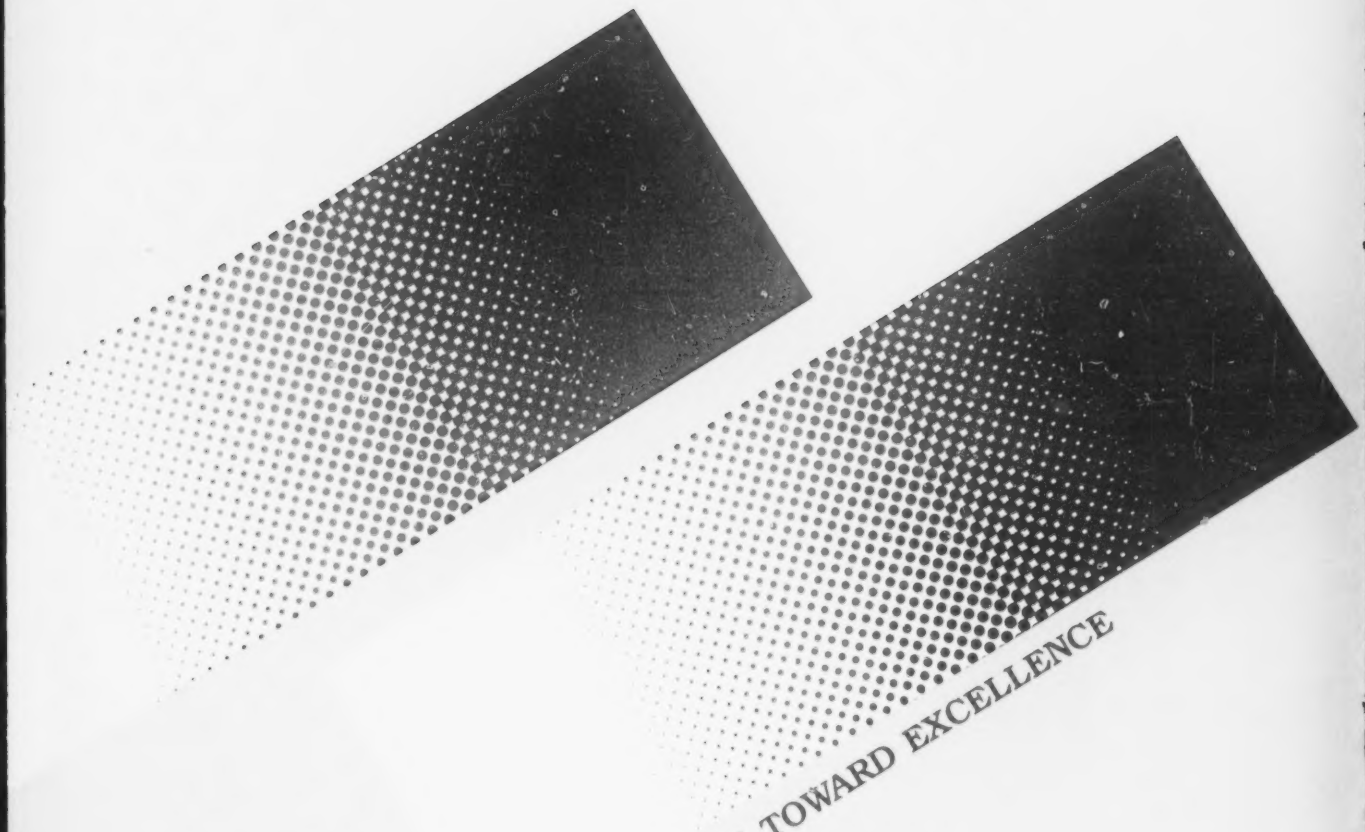

ACCELERATING TOWARD EXCELLENCE

Virginia Department of Taxation *Annual Report, Fiscal Year 1988*

Report of the Tax Commissioner
to the Governor of Virginia
for the Fiscal Year
Ended June 30, 1988

Gerald L. Baliles
Governor

Stuart W. Connock
Secretary of Finance

William H. Forst
Tax Commissioner

Inspired by the Governor's mandate for efficiency in state government, the Department of Taxation implemented a new income tax refund program in Fiscal Year 1988 to return taxpayers' overpayments in record time. By using a yellow Accelerated Refund Form 760AR, taxpayers got their refund checks up to three times as fast as the year before. This annual report focuses upon that initiative, and the many other innovative programs implemented by the department as we *"Accelerate Toward Excellence."*

W.H. Forst

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Honorable Gerald L. Baliles
Governor of Virginia
State Capitol
Richmond, Virginia

Dear Governor Baliles:

I am very proud to present to you our Fiscal Year 1988 Annual Report with the theme, *Accelerating Toward Excellence.*

At the beginning of the fiscal year we established our goals for excellence in several key areas. One of our most ambitious objectives was to return taxpayer refunds faster than ever before. Using the advanced technology available to us through the State Tax Accounting and Reporting System (STARS) and with a commitment from the Department of Accounts, the Department of Treasury, the local constitutional officers and our employees, we implemented the Accelerated Refund program. As a result of this innovation, we exceeded our own expectations, processing income tax refunds in an average turn around time of one week for accelerated refunds and three-and-one-half weeks for all other refunds from error-free returns.

Although the Accelerated Refund program occupied much of our time, it was not our only priority. We committed the department to excellence in other areas of tax administration as well. In conjunction with the goals and objectives of your Commission on Efficiency in Government we reduced the paperwork burden on taxpayers by revising our income tax forms to make them easier to use and recommended the elimination of the Partnership Income Tax Return, Form 501. The staff prepared a record number of impact statements on proposed legislation and developed a national issues tracking mechanism to provide up-to-date information on key developments in Congress, federal courts, and other states. We also successfully implemented Virginia's Tax Reform Act of 1987, effecting a smooth transition to the new legislation for state government and the general public.

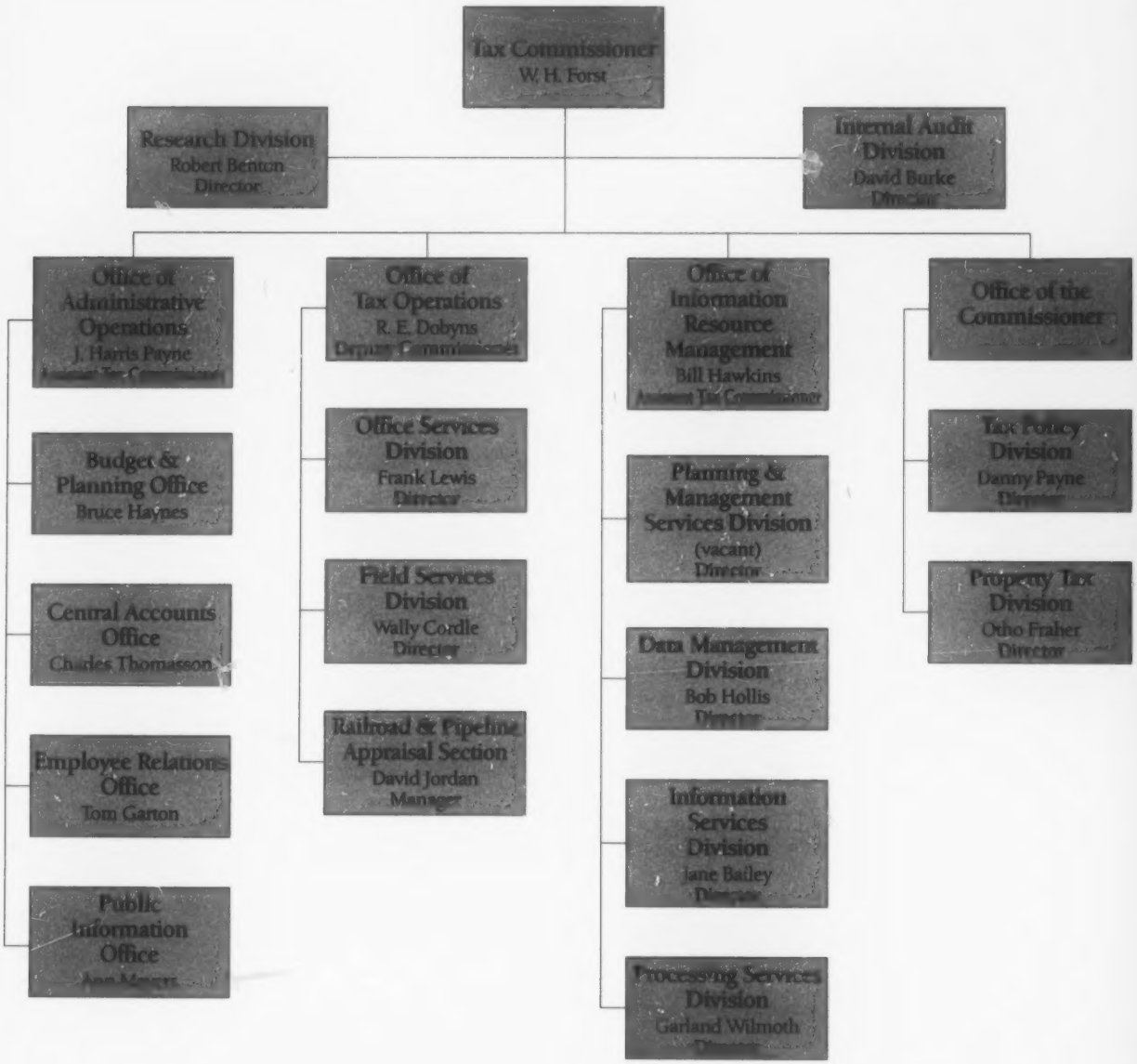
During the fiscal year we continued the development of innovative compliance initiatives such as the Out-of-State Audit program to ensure that everybody pays a fair share of state taxes. We also implemented new programs to increase the efficiency of tax operations in the agency, and to improve the quality of the work environment for our employees.

The enclosed report outlines these and other accomplishments for the Department of Taxation in Fiscal Year 1988. With your continued leadership and support, we plan to build upon these successes in Fiscal Year 1989.

Sincerely,

W. H. Forst
Tax Commissioner

Virginia Department of Taxation



Division Activities

Office of Administrative Operations

Responsible for the financial and administrative management of the agency including accounting, budgeting, public information, telecommunications, personnel, security and facilities management.

- Completed the keying of expenditures on-line to CARS II thirty days ahead of target. As a result of CARS II, the agency has experienced a reduction in the number of keying errors, thus making the process more efficient and information more reliable.
- Implemented the Statewide Leave and Accounting System (SLAS).
- Initiated and implemented a Human Resource Plan for the agency, addressing agency needs in five areas: benefits, compensation and classification, employment/employee relations, equal employment opportunities/affirmative action, and training and development.
- Planned and conducted communications and publicity activities for the implementation of the Virginia Tax Reform Act of 1987 and the Accelerated Refund Program. Developed an E-Z Reference Guide for the Commissioners of the Revenue and Tax Department staff to ensure clear and consistent answers to taxpayer questions.
- Worked with the IRS to implement a pilot program to put state tax information on the Teletax system, offering toll-free information to taxpayers around the clock.

The Office of Administrative Operations implemented a new human resource plan for the agency. Pictured from the Employee Relations staff are (seated from left): Darlene Thompson; Lori Chance; Mary Ann Bergeron; LaVeda Johnson; Robin Myers; (standing from left): Betty Waltman; Terry Carney; Margaret Sinkler; Thomas Garton, Manager; John Carpenter; and William Baber; with J. Harris Payne, Assistant Tax Commissioner. (Not pictured: Geneva Mitchell)

Processing Services Division

Processing Services is responsible for registering taxpayers; processing tax payments and refunds; recording and accounting for deposits of monies submitted for payment of taxes; and maintaining return records and taxpayer information. Local governments and other state agencies are served by providing accurate and timely allocation and distribution of revenues for funding programs established by law or administrative directive. The division also manages the department's mailing, purchasing, contracting and forms distributing operations.

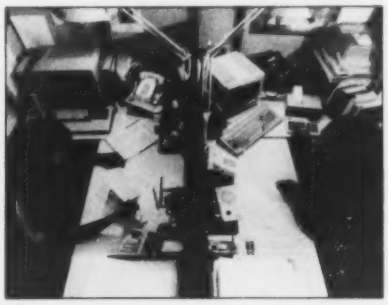
- Processed 3.3 million individual income tax documents (current year, prior year, accelerated refund and amended returns). This is an 18% increase over the 2.8 million documents processed in fiscal year 1987.
- Implemented the individual income tax Accelerated Refund program, and maintained a two-week maximum average processing time for accelerated refunds and a five-week maximum average processing time for other refunds from error-free individual income tax returns.
- Enhanced cash management by depositing individual income tax payments in accordance with the 24-hour deposit directive of the state Office of the Comptroller. This was accomplished through the addition of night shift operations in the Remittance Processing Unit.
- Procured, inventoried, sold and accounted for 760.8 million cigarette tax stamps, amounting to 17.016 million dollars of revenue.
- Distributed 10.7 million dollars through the Set-Off Debt program to 459 claimant agencies, courts and localities.

Division Activities

Office Services Division

Provides taxpayer assistance to individuals and businesses, conducts and reviews office audits, reviews field audits and collects delinquent taxes. Through various compliance programs the division conducts examinations of taxpayer accounts and generates assessments. Office Services also provides technical assistance to other divisions.

- Installed a Universal Call Distributor (UCD) in the Taxpayer Assistance area to minimize business tax busy signals received by taxpayers, by automatically distributing the call to the first available phone station.
- Handled 346,037 telephone inquiries and 92,476 pieces of correspondence and provided walk-in assistance to 6793 taxpayers, assisting over 90% of them within five to fifteen minutes from the time they arrived.



Tax examiners in the Compliance Section use the Federal Compare Program to audit individual income tax returns. (From left) are Lillian Owens and Constance Suber.

- Provided support for the implementation of the lottery program by reviewing lottery applications and checking for tax delinquencies.
- Conducted training sessions for the local constitutional officers emphasizing Tax Reform and forms changes for tax year 1987.

Remittance Processing prepares checks for deposits averaging $20 million per day for the Commonwealth of Virginia.

Field Services Division

Enforces state tax laws through audit, investigations and delinquent collections conducted by auditors and field representatives in eight district offices, interstate auditors who are based in Richmond area, and nonresident auditors living in nine major cities throughout the United States.

- Conducted 6427 audits for total assessments of $48,733,079. This exceeds Fiscal Year 1987 totals by $1,669,756.
- Self Audit program resulted in year-end assessments of $67,329, with an average collection per response of $137.68.
- Nonresident Audit program fiscal year assessments totaled $8,521,095, exceeding objectives by $1,521,095.
- Implemented a new vendor registration program to enhance out of state sales and use tax collections from businesses in Virginia border communities.
- Conducted on-site inspections of businesses applying for lottery licenses to ensure compliance with lottery requirements.
- Enhanced auditing functions with the purchase of 127 portable personal computers.

Division Activities

Planning and Management Services Division

Develops and coordinates technology and other key planning functions. Provides staff support to management. Manages agency forms functions and tracks all major agency objectives.

- Monitored income tax return inventories and refund turnaround times to ensure the success of the Accelerated Refund program.
- Developed and directed a Quality Team comprised of employees from several divisions to analyze operational issues in the department and find viable solutions to problems.
- Established a graphics work station to facilitate the use of desktop publishing with the goal of reducing department typesetting and design costs.
- Redesigned and implemented an agency budget tracking system to collect important cost data in a timely and accurate manner.
- Supported the agency's growing inventory of personal computers by training employees in the use of word processing, spreadsheet and NBI network functions. Improved the personal computer maintenance response time by correcting problems and repairing breakdowns within 24 hours of the complaint.

Data Management Division

Directs all computer production work. Maintains the telecommunications network, assures system security and program quality.

- Continued the expansion of the agency's telecommunications network to include over 800 terminals located in Social Services and DMV offices statewide, local commissioners' offices, and Internal Revenue Service offices.
- Upgraded the telecommunications network and control units to provide multiple sessions and a one to two second response time.
- Added production data bases, increasing the total to over 70 data bases spanning 30-3380 disk drives (over 18 billion characters).
- Provided continuous (7:30 a.m. to 5:00 p.m.) "help" desk facility for 1500 IMS on-line system users. Implemented a new identification and password program for the security of taxpayer account data on the IMS system.

Heath Pool and Mary Beth Murphy from the Planning and Management Services Division spot check returns to monitor the Accelerated Refund program.

Information Services Division

Designs, develops, implements and maintains automated and manual systems to support the State Tax Accounting and Reporting System (STARS).

- Completed the major modules of the Individual Income Tax system, implemented the Return Processing module, the Refund Match/Debt Set-Off Collection module, and the Individual Accounts Receivable Partial Payment module.
- Conducted a live teleconference, training over 400 local government employees throughout Virginia in new return processing and payment procedures.
- Developed and implemented 35 enhancements to Business Tax systems, and Individual and Business Tax Accounting and Accounts Receivable systems.
- Upgraded hardware and software on all Motorola systems to implement the direct transfer of data from Data Entry to the mainframe.
- Provided a task force member to the state ZIP + Four Task Force that developed requirements and selected software for statewide usage. This project will improve mail delivery, reduce postal costs and will correct locality codes.

Research Division

Develops Virginia economic forecasts, general fund revenue forecasts, analyzes revenue flows and estimates fiscal impacts of various legislative alternatives.

- Forecasted General Fund revenues for Fiscal Year 1988 within 2.2% of actual collections.
- Provided staff support to the Joint Subcommittee Studying the Taxation of Public Service Corporations and the Governor's Commission on Transportation in the 21st Century.
- Developed an alternative Virginia forecasting model apart from Wharton Econometrics Forecasting Associates, and developed a new model to forecast the tax revenues derived from Sales Tax and Insurance Premium Gross Receipts.
- Continued to monitor the Virginia effects of the Federal Tax Reform Act of 1986 and the Virginia Tax Reform Act of 1987.
- Improved the automated computer link between the Department of Taxation and other state agencies and acquired a facsimile machine to send and receive printed communications.

Division Activities

Internal Audit staff (from left) John Almond, David Walsh and Mark Watson use advanced technologies to conduct routine examinations.

Internal Audit Division

Performs financial, EDP, operational and compliance audits of all departmental functions.

- Developed innovative audit techniques through the use of the PC and mainframe.
- Implemented an audit plan based upon risk assessment of the agency's EDP and financial tax processing functions.
- Provided EDP technical assistance to the Department of the State Internal Auditor in development and presentation of an audit training seminar.

Railroad and Pipeline Section

- Published assessments totalling $1 billion for local tax purposes for 17 railroads and 8 pipelines in 246 counties, cities and towns.
- Developed assessed values for rolling stock of railroads and private freight car companies totalling $425 million.
- Distributed rolling stock tax revenue totalling $4.25 million to 217 counties, cities and towns.

Tax Policy Division

Develops tax regulations and policy and handles all agency taxpayer appeals. Provides staff support to the General Assembly by drafting legislation and amendments, and coordinating impact analysis of proposed legislation. Lends technical advice to local constitutional officers, state agencies, tax practitioners and industry and professional groups on matters of tax policy.

- Prepared impact statements on 155 bills, a 40% increase over 1987. On the average, statements were prepared within 2 days from the introduction of each bill.
- Developed and implemented a comprehensive national issues tracking report to enable the department and the executive branch to respond proactively to events on the national level.
- Published 19 tax bulletins on a wide variety of issues, including a comprehensive bulletin prepared for the Department of Housing and Community Development to increase public awareness of the state's enterprise zone program.
- Adopted and published emergency regulations to implement the Virginia Tax Reform Act of 1987 and 1987 legislative changes affecting estimated taxes. Drafted emergency tax regulations for the implementation of the Virginia Lottery.
- Provided primary staffing for several legislative study groups and subcommittees, including: the Local Financing Options Subcommittee for Phase II of the Governor's Commission on Transportation in the 21st Century; the licensing set-off study conducted by the Department of Planning and Budget and the Governor's Commission on Employer Child Care Incentives; and the evaluation of sales and use tax exemptions as mandated by 1987 SJR 119 and 1988 SJR 70.

Property Tax Division

Assists localities, upon request, with real and personal property assessments, prepares and revises property identification maps, and conducts educational programs for local boards and assessing officials.

- Trained 398 local assessing officials and 156 members of Boards of Assessors and Boards of Equalization.
- Developed 111 new property identification maps and revised 638 existing maps.

(Opposite page): Individual income tax returns with Accelerated Refund forms attached receive top priority. Photos (from left): Mike Morris and Tommy Cox unload one of three daily shipments of income tax returns. After the returns are opened, the 760AR's are carefully screened to make sure that they are correct and complete. Data Entry operators key information from the 760AR's into the system.

Highlights Fiscal Year 1988

Taxpayers don't often look forward to income tax season. But in 1988, the Department of Taxation offered taxpayers forms that were easier to use, instructions that were easier to understand, and for those people expecting refunds, a quick return of their overpayments.

Accelerated Refunds

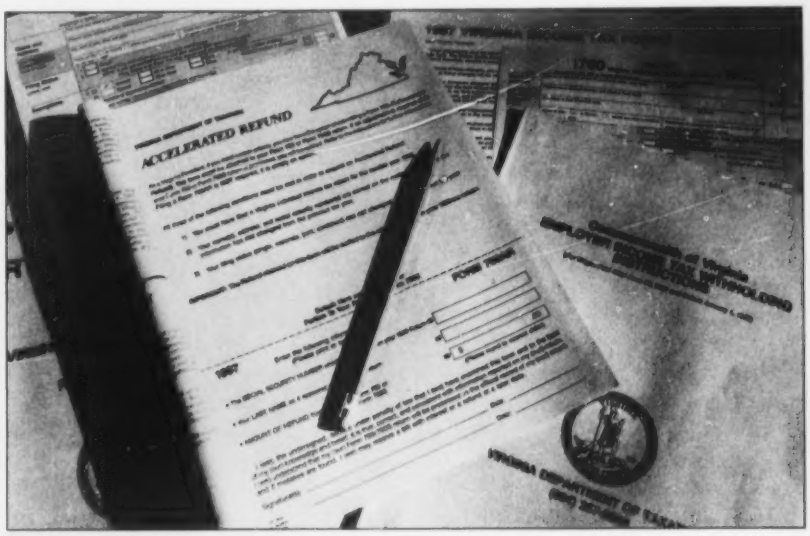
In 1986, Governor Baliles created the Commission on Efficiency in Government to study ways to make government more responsive to the needs of its citizens. In support of this effort, Taxation looked at its operations and began to explore ways to streamline income tax return processing to improve service to Virginia's taxpayers.

During Fiscal Year 1988, the Department of Taxation implemented the Accelerated Refund program, designed to significantly improve refund turnaround time. With the cooperation of local governments, the Department of Accounts and the Department of the Treasury, this program enabled taxpayers who met certain filing requirements to receive their income tax refunds three times as fast as in Tax Year 1987.

"This letter is to commend those that worked on filing my tax return. Your efficiency is truly noteworthy."

The concept

Before the Accelerated Refund program was developed, the department looked closely at the volume and status of the tax returns which were found to be in error in 1985. After analyzing those returns requesting a refund, it was determined that once corrected, only a small percentage of refund returns which contained errors resulted in any change to the bottom line refund amount requested.



In addition to designing the new Accelerated Refund Form 760AR to speed up refund processing, the department revised existing income tax forms and instructions to make them easier to use.

The staff also examined the stability of taxpayer data. Of those taxpayers filing refund returns in 1985, very few experienced a filing status change, or a significant dollar tolerance change in the refund amount requested. Approximately 60% of all Virginia taxpayers experienced no change in tax roll data from one year to the next.

With such a low percentage of error returns resulting in a bill, and considering the stability of taxpayer data, the department moved forward with the planning and systems modifications necessary to implement the Accelerated Refund program.

The agency's Forms Committee designed a new, simple, three-line form (760AR) for the Accelerated Refund program. Use of the 760AR was limited to taxpayers who had filed a 1986 Virginia Form 760 (long form) or 760S (short form) with the qualification that the name(s) address and filing status must be the same as on the 1986 return. Taxpayers who qualified for the program attached the yellow 760AR to their 1987 Virginia 760 or 760S income tax returns. Information from the 760 AR's was screened and keyed very quickly after they were received. The accompanying income tax returns were set aside to be completely processed at a later date.

If the refund amount did not match a tax liability or an outstanding debt with agencies in the Set-Off Debt program (and if the refund passed other automated criteria and controls built into the system) the taxpayer received an accelerated refund. If, when processing the 760 or 760S, the department adjusted the refund amount, the taxpayer received a bill or an additional refund.

The department placed a strong emphasis on training and communication throughout the implementation process. In addition to in-house training for employees, the department conducted fall tax seminars for local government officials and their staffs to explain

the program concept and the new processing procedures. The Information Services Division arranged a live teleconference for commissioners of revenue and their staffs, linking 16 community colleges to a satellite broadcast of the training seminar from the Department of Information Technology. Provisions were made to enable attendants to call in with "live" questions throughout the program. Open communication and monitoring of return volumes received from each locality was maintained throughout the processing season.

The department also strived to maintain open communications and high visibility with the news media. Governor Baliles made the initial announcement of the Accelerated Refund program before the press at a September 1987 meeting of the Commission on Efficiency. The department hosted a second press conference in February to promote the use of the Accelerated Refund program and to identify any trends or problems with the program. Throughout the filing season the Public Information Office issued press releases updating the media on the progress of the program.

	Number of Refunds Processed (cumulative totals)		Average Refund Turnaround Time*	
	1988	1987	AR's	Other refunds
January	29,097	1,195	3 days	1 week
February	395,388	94,757	5 days	5 weeks
March	915,070	434,224	5 days	3 weeks
April	1,366,460	824,162	7 days	3 weeks
May	1,614,288	1,367,871	13 days	4 weeks
June	1,780,498	1,672,357	5 days	2 weeks

**Turnaround times reflect the number of days it took to actually process Accelerated Refunds in the Tax Department, and not necessarily the number of days it took to receive a refund.*

Accelerated Refund Statistics
As of July 1, 1988

Total Refunds Issued	1,780,498
Accelerated Refunds Filed	543,071
(30.5% of all refunds issued were originally filed as AR's)	
Accelerated Refunds Issued	462,282
(85.1% of all AR's were issued as an AR)	
Accelerated Refunds Denied	80,789
(14.9 % of all AR's filed were denied)	
AR's Later Assessed	7,232
(2.1% of AR's with processed returns)	
Average Refund Amount–1987	$247.00
Average Refund Amount–1988	$202.00

The results

The department's objective in implementing the Accelerated Refund program was to provide a two week turnaround time for all accelerated refunds and a five week turnaround time for all other refunds from error-free returns. The department *exceeded* these objectives with an average turnaround time of one week for accelerated refunds and three-and-one-half weeks for all other refunds (see chart).

Video STARS (from left) Alice Jones, Marcia Fryer and Lynn Pulley-Paine of the Information Services Division conduct a live teleconference from the Department of Information Technology to train commissioners of the revenue and their staffs in the new processing procedures.

"... people in the Virginia Department of Taxation who write and mail the checks for over-withholding are working at nearly light speed . . . Now that is the sort of pace at which government bureaucracy should move."

Reactions from the media and the public were overwhelmingly positive. The department received favorable news coverage throughout the processing season including front page coverage in the *Wall Street Journal*. Particularly significant is the fact that much of the positive coverage was initiated by taxpayers who had been both surprised and pleased by the quick refunds they received.

SCRRRAP

In an effort to reduce the paperwork burden placed by the Commonwealth upon the public, the Governor's Commission on Efficiency developed the "SCRRRAP" (State Coordinated Reduction of Reporting Requirements and Paperwork) initiative. In support of this initiative, Taxation planned to reduce the taxpayer paperwork burden 25% (860,000 burden hours) by 1990. As a result of Fiscal Year 1988 legislation, the Accelerated Refund program and efforts to simplify the forms, the agency expects to exceed that goal by 137,000 hours.

Legislation recommended by the agency eliminated Form 501, the Partnership Return. Information provided on the return is available on federal Form K-1 and is easily accessed through the department's federal tape exchange program.

Virginia's 1987 income tax returns were completely redesigned and rewritten to make them easier to use. Midway through the income tax filing season the committee met to further improve the readability and use of the Virginia tax returns and instructions. The 1988 forms promise to be even better.

Enhanced Telecommunications

The department increased responsiveness to Virginia's taxpayers with the installation of two new telephone systems. To alleviate the problem of taxpayers receiving busy signals, a Universal Call Distributor was installed in the Taxpayer Assistance section for business taxes. If the number dialed is busy, the system distributes calls to the first available phone. To expedite phone orders of tax forms, a new message system was installed in the Forms Request Unit. When existing lines are busy, a recording automatically tells the taxpayer to leave a message giving a name, address and name of form requested. The new message system is available 24 hours a day and has been used by an average of 5000 taxpayers per month.

Matt Walton from the Research Division presents the Virginia Economic Outlook to a meeting of the Governor's Advisory Board of Economists.

Taxpayers seeking state income tax information in Fiscal Year 1988 had the option of using the federal Tele-Tax system. As part of a cooperative project between the Internal Revenue Service and the National Association of Tax Administrators, Virginia was selected as one of four states to put state information on the federal toll-free lines. From February through mid-April, 69,365 callers accessed recorded tax information on Tele-Tax lines in Virginia. Of this number, 10,264 callers asked for state tax information. The service was available to taxpayers around the clock with no cost to the department. As a result of the Tele-Tax project, the department is studying alternative telecommunications technologies which will expand taxpayer service and utilize staff more efficiently.

Implementing Virginia Tax Reform

During Fiscal Year 1988, the department implemented the most significant change in income tax legislation in fifteen years. Effective July 1, 1987 the Virginia Tax Reform Act increased standard deduction and personal exemption amounts, raised the top income tax bracket and the filing threshold, raised the deductions for blind individuals and eliminated excess cost recovery additions. The agency placed a major emphasis upon the implementation of Virginia Tax Reform to ensure a smooth transition.

Representatives from the department conducted detailed sessions on the Tax Reform changes during the annual Fall Tax Seminars presented for the offices of the commissioners of revenue, supervisors of assessments and directors of finance. The staff developed extensive resource materials, including a comprehensive Resource Book to accompany the training sessions, and an E-Z Refer-

ence Guide to provide clear and concise answers to taxpayer questions. To inform taxpayers of the changes, the department developed public information materials which were distributed through commissioners' offices and other state agencies.

Legislative Support

In Fiscal Year 1988 the department supported several major executive and legislative branch initiatives and several interagency projects and studies—tackling issues from sales and use tax exemptions to the income tax treatment of lottery winnings. The Tax Policy Division prepared a record number of impact statements on proposed legislation. At the same time, through improved communications technology and the development of a comprehensive national issues tracking process, they reduced the inventory of appeals, rulings and other casework.

The department's Research and Tax Policy divisions took leading roles in the development of criteria for the evaluation of sales and use tax exemptions for Virginia. This study laid the groundwork for a major, long-range (1990-1994) study of policy and revenue impacts on existing sales and use tax exemptions. The divisions also provided staff support to the Local Financing Options Subcommittee for Phase II of the Governor's Commission on Transportation in the 21st Century and the Joint Subcommittee Studying the Taxation of Public Service Corporations.

Taxation also provided assistance to a legislative committee studying competition between profit and nonprofit organizations, to ensure that nonprofit organizations were not unfairly competing with profit-making ventures. As a result of the study, legislation requiring the collection and tracking of a substantial amount of data for nonprofit organizations was not recommended.

Jim Kickler and Mindy Stembridge from the Richmond District Office go over a lottery checklist with a local businessman.

To enable the department and the executive branch to respond proactively to events on the national level, Tax Policy developed and implemented a comprehensive national issues tracking report. The report, which tracks key developments in the Congress, federal courts, and other states, is updated monthly.

The Research division developed a new, PC-based, Virginia economic forecasting model to provide the staff with a quick and cost efficient alternative to services provided by private vendors. The Alternative Forecasting Methodology gives the staff the in-house capability to produce economic forecasts, significantly reducing the time it takes to receive forecast data.

Assisting the Virginia Lottery

In addition to the services routinely provided to many local and state agencies, the department lent assistance to one of the Commonwealth's newest agencies, the Virginia Lottery Commission. To prepare for implementation of the Virginia Lottery, Tax Policy developed bulletins and emergency regulations for the Lottery to determine the withholding and income tax requirements for lottery winnings.

Field auditors from the department's eight district offices assisted the Lottery Commission with the screening of lottery applications. Auditors conducted over 2500 on-site inspections of businesses applying to sell tickets. The department used information from the applications to check for tax delinquencies, collecting over $25,000 in taxes before the end of the fiscal year.

The department also set up a program to provide the Lottery Commission with Set-Off Debt capabilities. If a lottery prize winner has an outstanding debt with a state agency, local government or court system, the department will be able to identify the debt and transfer the money from the Lottery Commission to the participating agency.

Information Sharing

In Fiscal Year 1988, the department expanded tax information services, providing local, state and federal governments direct links to Virginia tax data bases. Twenty-four localities and IRS offices in Richmond and Indianapolis tied into Taxation's data bases during the year. Two localities, Chesterfield and Stafford, began a pilot program which will enable them to perform debt set-off functions on-line in their local areas.

To help combat the problem of delinquent child support payments, the Child Support Enforcement Bureau of the Department of Social Services has been given limited access to tax roll information. This service will help their operators to update addresses for support enforcement purposes.

Highlights *Accelerated Compliance*

Interstate Auditors Don Jones and Ann May return to Richmond from audit assignments outside of Virginia.

The department experienced continued success with several innovative audit programs designed to create cost effective measures for collecting Virginia taxes. In addition, the Field Services Division implemented two new programs to increase voluntary compliance. All totaled, these programs helped to boost collections to $217,815,914 for Fiscal Year 1988, surpassing FY 1987's compliance totals by $5,615,130.

Computer Enhancement for Field Audits

Field audit calculations that used to take several hours now can be done in minutes with portable personal computers. In Fiscal Year 1983, the Field Services Division initiated plans to provide every field auditor with a personal computer to enhance the auditing process. Division employees developed computer programs to automatically calculate tax and interest. The first group of computers, purchased in 1986, significantly increased the efficiency of field auditing. The touch of a button replaced paper and pencil calculations, giving the taxpayers a data printout of the auditor's calculations. In Fiscal Year 1988 the department purchased 127 computers, giving every field auditor ready access to a portable computer. Assessments for Fiscal Year 1988 were $641,797 above the target of $1,900,000.

Self-Audit Program

Field Services developed the concept for this program in Fiscal Year 1987 to promote voluntary compliance. The program gives businesses an opportunity to complete a self-audit to identify any tax liabilities they might have. In Fiscal Year 1988, Taxation targeted several industries for the program, holding meetings with industry representatives to explain the concept and encourage their support. Auditors then sent these businesses information about the tax laws and requested them to complete a questionnaire. If, as a result of the questionnaire, the businesses discovered tax liabilities, they were asked to remit

the amount due with the completed questionnaire.

Although the program is new, it shows promise. Year-end assessments for FY 1988 amounted to $67,329 with an average collection per response of $137.68. The key to the success of this program is the absence of taxpayer controversy. Businesses have a better understanding of the tax laws and are encouraged through education to meet their obligations. The department plans to expand the program for Fiscal Year 1989.

Small Business Examinations

This program increased revenue by enhancing the productivity of the field representatives. The program focuses on small businesses with $500,000 or less in gross annual sales. Total assessments for the year were $1,881,262. A total of 1003 audits were performed in 3,623 hours, resulting in an average assessment of $1,875.64 per audit. This means that field representatives averaged over $519 in assessments per audit hour.

Out-of-State Audit Program

This program continued to show success in Fiscal Year 1988. Taxation auditors living in nine major cities throughout the United States turned in fiscal year assessments of $8,521,095. This is $1,521,095 above the program's target.

Border Vendor Registration Program

New in Fiscal Year 1988, this program is based on an agreement with West Virginia to increase compliance with sales and use tax laws by registering vendors to collect the sales and use taxes for both states. When a purchase is made in one state but shipped to another state for use, that purchase is often not subject to a sales tax. In such cases, however, the purchase is subject to a use tax in the state in which it will be used. Payment of this tax is the responsibility of the purchaser and may be paid either to an authorized vendor, or directly to the state.

As a result of this program, when purchases are made in West Virginia and the goods are shipped to Virginia it is more likely that the Virginia use tax will be collected by the vendor. If it is not collected at the time of sale, auditors will be able to more easily discover this omission and the individual purchasers can be billed directly for the use tax. The signing of this agreement should benefit state merchants as it will reduce a customer's advantage of purchasing items across the border to avoid the sales tax.

The program, initiated on a pilot basis in January, 1988, targeted the Bluefield, Virginia/West Virginia area. Tax officials met with area vendors and encouraged them to register to collect the sales tax of both states. The department plans to expand this operation to include the Virginia borders of North Carolina and Tennessee.

State Agency and Local Government Cooperation

The department initiated a pilot program with the Division of Motor Vehicles (DMV) to permit field agents to access Taxation's computer system (STARS) through terminals in DMV field offices. The goal of this program is to provide Department of Taxation field personnel quick access to current taxpayer data from locations apart from their district offices. Tazewell and Wise counties were the first DMV locations to participate in this project. Taxation has since expanded the operation to include 26 DMV offices, and offices of the Commissioners of the Revenue who have direct access to STARS.

Texas-based Robert Simons, one of the agency's 15 nonresident auditors, poses in front of the spectacular Dallas skyline. (Photo by Howard Kelin)

The department is continuing to research ways to improve the audit process. Fiscal Year 1989 should see the benefits of several initiatives currently being studied. Preliminary work has begun to determine the feasibility of using statistical sampling methods in auditing. A taxpayer survey is also in the works which will determine the effectiveness of department contacts.

Highlights *Accelerated Operations*

During Fiscal Year 1988, the department processed over 3 million individual income tax returns (including over 500,000 Accelerated Refunds) and 2.6 million business tax returns, depositing 5.2 billion dollars of revenue for the Commonwealth at an average daily deposit of $20 million. Although the volume of returns and accounting transactions increased, the department was able to cut refund return processing time by more than half and deposit payments in 24 hours as mandated by the Secretary of Finance. These and other accomplishments were possible because of new, technological advances and an agency-wide commitment to productivity.

Information Services personnel monitor and "fine tune" the automated processing of accelerated refunds. (From left): Glenn Clark, Wanda Bennett, Linda Mann, Sandy Fry, and Woody Munnerlyn.

STARS

Fiscal Year 1988 was a benchmark year for the State Tax Accounting and Reporting System (STARS). The Information Services Division developed and implemented the last major modules of the Individual Income Tax system—the return processing and refund match/set-off debt collection modules—and upgraded and enhanced existing systems. All totaled, STARS recorded 8.4 million separate transactions, with 2000 users authorized to sign onto the communications network.

Analysis and design of the individual return processing module began in February 1987. The department hired additional staff to implement the module a year ahead of schedule so that tax reform changes could be incorporated and implemented in January, 1988. The module required a staff of 15 analysts and programmers and was implemented only 11 months after analysis work began.

This module changed the automated system that supports return processing for individual taxpayers to an on-line system utilizing Information Management Systems (IMS) data bases. This new system also allowed taxpayers to take advantage of the Accelerated Refund processing option. In-house, the module gave taxpayer assistance operators on-line access to complete tax return data, substantially decreasing the amount of time required to respond to taxpayer inquiries. Several localities which receive individual income tax returns were brought on-line, obtaining direct access to view return and processing data.

The department implemented the statewide Set-Off Debt Collection system to match individual income tax refunds to outstanding debts owed to the Commonwealth. Participating agencies submit set-off debt claims on magnetic tape or paper documents. The department maintains these claims in a data base that can be updated on-line by Taxation employees and can be changed or deleted on-line by any agency that has access to the system.

In Fiscal Year 1988, the department brought two localities on-line to the computer system to update their own set-off debts. Because of the success of this pilot, the department will offer this capability to all participating claimant agencies.

On the business tax side of STARS, analysts implemented several enhancements to the return processing, accounting and accounts receivable systems. The general design for the Litter Tax, Vending Machine Tax and Motor Fuel Tax return processing was completed. Changes to the remittance processing program will allow it to run on the mainframe, saving 30 minutes of nightly batch processing. Another conversion enabled withholding taxes from other state agencies to be processed through the Department of Accounts on magnetic tape, saving time and paperwork.

Office Technology

The total number of personal computer users grew from 90 to 252 in FY 1988. To support the growing number of workstations, the department's technical experts conducted extensive training in data base, spreadsheet, network functions and word processing software.

The agency added to its library of software applications with the purchase of several desktop publishing and graphics programs. The Information Center established a graphics work station to enable the staff to produce professional quality documents and publications in-house, thus avoiding expensive typesetting and design costs.

Staff members developed several computer programs to increase the efficiency of department operations. A new budget tracking system was developed to give the agency timely and accurate budget data. Another program designed to track correspondence will improve the efficiency of the agency's responses to requests for information.

Interagency communications improved as a result of the acquisition of a facsimile machine. The department now has the ability to transmit important documents in seconds, rather than the hours or days previously required.

To support an increasingly complex mailing operation, Taxation purchased and installed new Bell and Howell computerized mail handling equipment. The equipment, which features automated modes of operation, will measurably improve the department's ability to handle over 3 million pieces of mail annually.

Accounting Innovations

Several key changes took place in state agency personnel and fiscal program management in Fiscal Year 1988. As a result, the agency's Central Accounting Unit faced the difficult task of implementing two initiatives during the fiscal year - going on line with the Commonwealth Accounting and Reporting System II (CARS II) and the Statewide Leave Accounting System (SLAS).

CARS II provides a historical record of all financial transactions affecting the state and streamlines the entire process of recording and reporting financial data. Prior to June 1, Central Accounts batched all department expenditures and forwarded them to the Department of Accounts (DOA) where they were keyed by DOA staff. As of June 1, thirty days before target, the staff completed the keying of all expenditures directly on-line from Taxation to CARS II. This operational change, when coupled with the new budget tracking system, will improve the reliability of the department's budget information, and will help the agency to efficiently and accurately track all expenditures.

Central Accounts also completed the implementation of SLAS. This new system converted the agency from a manual to a computerized tracking system of all employee leave balances. Instead of maintaining a separate leave card on each employee and adding and deducting leave manually, the department gets a computer printout which automatically shows the leave status of each employee. Leave balances are also shown on employees' paychecks, so they know exactly how much leave time is recorded by the agency.

Although implementation of these initiatives took a considerable amount of staff time, the department maintained an outstanding record of compliance with the Prompt Payment Act. For the year ending June 30, 1988, the department rated 98.7%. This means that 98.7% of all payments were made on or before the due date. The average state compliance rating is 95%.

(Top) The Central Accounts Staff: (from left) Inez Ford, Debbie McGill, Brenda Gardner, Jackie Morris, Connie Fleming, Sue Tyler, Kitty Gray, with Fiscal Director, Charles Thomasson.

(Bottom) The Information Center staff manages the agency's growing inventory of personnel computers. (From left): Bob Whitehead, Bette Wieder, Sid Koerin, and Bill Flowers.

Representatives on the Dialogue II Leader Team meet to discuss issues of employee concern.

Human Resource Initiatives

In April of 1987, the department's management team met at the Institute of Government in Charlottesville, Virginia to develop agency objectives for the next biennium. They identified three key areas for department action: developing human resources, managing technology, and improving services to taxpayers. In the area of human resources, the management team assigned the highest priorities to equal employment opportunity, training and development, recruitment, and benefits and compensation.

In Fiscal Year 1988, the department's Employee Relations Office developed a comprehensive Human Resources Plan addressing the areas identified by the management team. This plan, which outlined the need for additional staff, was approved by the department in October, 1987. As a result, the agency created new positions in equal employment, training and development, benefits, recruitment and classification/compensation functions.

To address the need for a long term training and development program for all employees, the department began a major revision of the agency training plan. The Employee Relations staff created a comprehensive training needs assessment that will be used to identify future training needs. The staff is developing a mandatory training program covering equal employment and affirmative action as part of a multi-year plan to enhance management potential within the agency in accordance with affirmative action guidelines.

In the area of compensation, the Employee Relations Office staff began a major compensation study to ensure that employees working in technical, professional and managerial/supervisory classifications are being properly compensated. Approximately 400 positions are included in the study. With additional staff in the classification/compensation function, all agency positions will be reviewed on an annual basis, and salary inequities will be identified and corrected in a timely manner.

Employee Communication

Dialogue II, the agency's communication program, continued its commitment to open lines of communication between employees and top management through a variety of programs including the employee newsletter, a confidential information request system, and quarterly employee meetings. The Leader Team also expanded the communication network, sponsoring special lunchtime programs for the employees. Called *Dialogue II Presents*, these free programs brought experts in from other state agencies and civic organizations to present topics of interest to the employees.

Quality Team

In large agencies or organizations, the old adage, "the right hand doesn't always know what the left hand is doing," is often applicable. To help foster an understanding of all tax operations in the department, and create a vehicle for problem solving, management created a Quality Team. Based on the Japanese business concept of the quality circle, the Quality Team is comprised of employees from several divisions in the agency. These employees, specially selected by management, meet regularly to discuss issues concerning various tax operations. Through a better understanding of the total operation, employees are more inclined to work together to solve problems, and have more confidence when answering questions regarding specific taxpayer accounts.

(Opposite): The Data Management Division ensures that the department's expansive telecommunications network, carrying over 18 billion characters of data, is accessible to over 1500 users. Photos (from left): Marwan Aboulhosn sends information keyed by Data Entry to the mainframe via magnetic tape. Ray Grant and Sandra Testerman help an IMS user on-line in one of the localities. Steve Cannon checks the printer output of assessments automatically generated by the system.

Statistical Summary

Statistical Summary *Contents*

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Revenue and Expenditures

Department Net Collections by Tax Subject
Fiscal Years 1987 and 1988

General Fund Revenues	FY 1988	FY 1987	Percent Change
Bank franchise (state's share)	$4,301,889	$3,766,900	+ 14.2
Beer and beverage	38,607,731	37,764,316	+ 2.2
Corporate income	336,131,248	318,757,109	+ 5.5
Individual income	2,696,421,468	2,445,816,993	+ 10.2
Inheritance, gift and estate	43,205,571	32,799,715	+ 31.7
Recordation, deeds, wills, etc.	95,459,183	105,262,727	- 9.3
State sales and use	1,192,100,607	1,105,717,625	+ 7.8
Tobacco products	17,013,486	17,111,650	- 0.6
Watercraft sales	3,631,368	4,023,583	- 9.7
Total Department Collections	**$4,426,872,551**	**$4,071,020,618**	**+ 8.7**
Special Fund Revenues			
Aircraft sales and use	$1,204,612	$1,873,226	- 35.7
Egg promotion	187,694	203,914	- 8.0
Forest products	1,419,417	1,343,186	+ 5.7
Peanut excise	220,120	287,678	- 23.5
Slaughter hogs & feeder pigs*		110,627	-100.0
Soybeans	96,422	101,621	- 5.1
Transportation Sales Tax (TST)**	200,386,433	69,154,284	+189.8
Total Department Collections	**$ 203,514,698**	**$ 73,074,536**	**+178.5**
Aggregate (All Funds)	**$4,630,387,249**	**$4,144,095,154**	**+ 11.7**

Note: Not included in this table are: (1) the soft drink excise tax—$143,274; (2) the litter tax—$561,699; (3) the sales tax on fuel in the Northern Virginia transportation district—$9,919,945; and (4) the sales tax on fuel in the Potomac-Rappahannock transportation district—$3,375,919.

**As of November, 1986 the Department of Taxation no longer collects the Virginia slaughter hog and feeder pig excise tax.*

***Transportation Sales Tax totals for Fiscal Year 1987 only represent 5 months of collections. The Transportation Sales Tax of ½% became effective January 1, 1987. The first deposits were made in February of that year.*

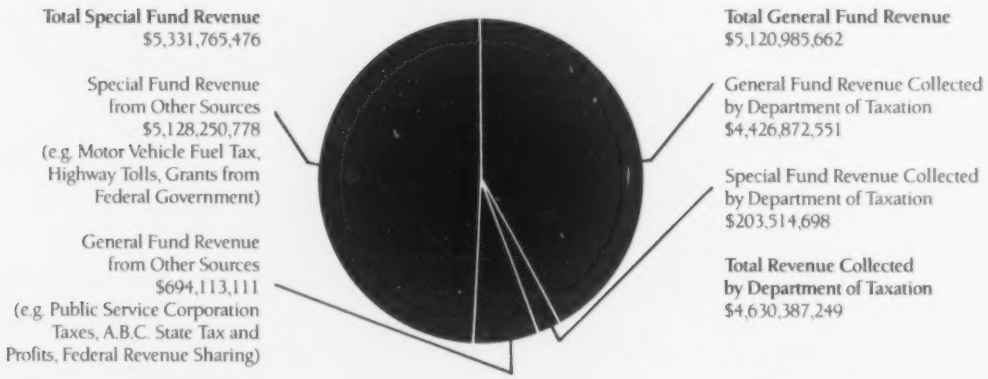
*Department of Taxation Expenditures**
Fiscal Year Ended June 30, 1988

Budget Programs	Expenditure
Revenue Administration Services	$25,706,221
Research Services	540,737
Tax Value Assistance to Localities	916,374
Administrative and Support Services	10,848,335
Total	**$38,011,667**
Cost per $100 of collections	**$.82**

**The department is custodian of the funds appropriated to the State Land Evaluation Advisory Council. The council expenditure for the Fiscal Year was $44,913 and is not reported here as cost of operating the department. The committee is composed of the State Tax Commissioner, the Dean of the College of Agriculture of VPI and SU, the Commissioner of Agriculture and Consumer Services and the Director of the Department of Conservation and Historic Resources. The department also distributes to certain localities payments (in lieu of tax) made by the Tennessee Valley Authority. This payment totaled $453,692 in FY 1987-88.*

Revenue Collections

Total Revenue Collections by the Commonwealth of Virginia
Fiscal Year 1987-1988
$10,452,751,138


Total Special Fund Revenue
$5,331,765,476
Special Fund Revenue from Other Sources
$5,128,250,778
(e.g. Motor Vehicle Fuel Tax, Highway Tolls, Grants from Federal Government)
General Fund Revenue from Other Sources
$694,113,111
(e.g. Public Service Corporation Taxes, A.B.C. State Tax and Profits, Federal Revenue Sharing)
Total Revenue from Other Sources
$5,822,363,889
Total General Fund Revenue
$5,120,985,662
General Fund Revenue Collected by Department of Taxation
$4,426,872,551
Special Fund Revenue Collected by Department of Taxation
$203,514,698
Total Revenue Collected by Department of Taxation
$4,630,387,249

Department of Taxation Revenue Collections

Fiscal Year 1987-1988
$4,630,387,249

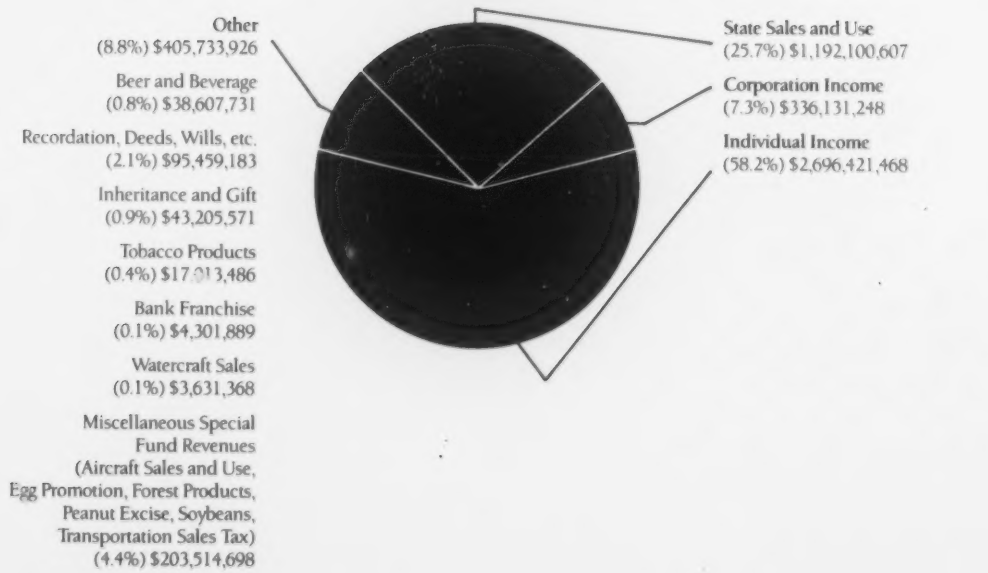


Table 1.1

Statewide Individual Income Taxes
Taxable Years 1977-1986

Taxable Years	Amount
1977	$748,471,939
1978	865,161,389
1979	1,001,195,652
1980	1,154,926,356
1981	1,311,330,187
1982	1,428,398,489
1983	1,587,431,813
1984	1,770,016,143
1985	1,943,979,035
1986	2,193,945,401

Figure 1

Individual Income Taxes
Collections in Millions — Taxable Years 1977-1986

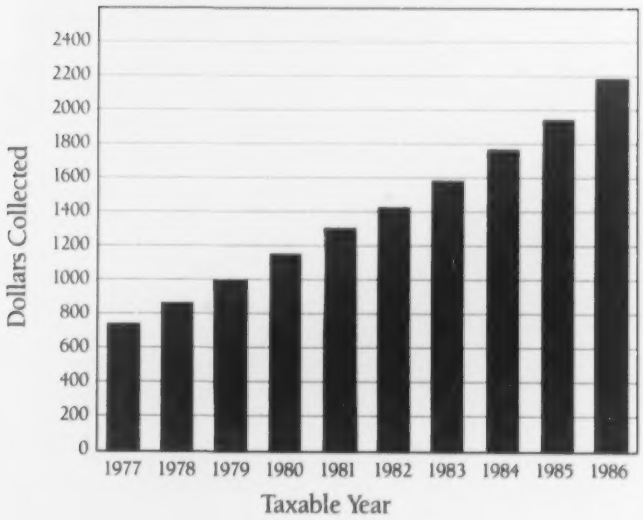


Table 1.2

Virginia Adjusted Gross Income, Total Exemptions, Total Deductions, Effective Tax Rate, Total Taxable Income, and Total Tax by Virginia Adjusted Gross Income Classes,—Taxable Year 1986

Adjusted Gross Income Classes	Total Adjusted Gross Income	Total Exemptions Claimed	Itemized Deductions Claimed	Standard Deductions Claimed	Total Deductions Claimed	Effective Tax Rate on Adjusted Gross Income	Total Taxable Income	Total Tax
$0- $999	$25,113,958	$46,716,331	$137,653,720	$53,359,098	$191,012,818	0.01%	$1,298,731	$2,426
1,000- 1,999	105,611,889	50,863,553	11,591,899	79,028,922	90,620,821	0.02	7,027,949	25,233
2,000- 2,999	186,891,500	57,957,660	12,976,851	84,628,186	97,605,037	0.04	46,769,621	76,341
3,000- 3,999	283,726,871	68,372,787	20,182,015	92,511,547	112,693,562	0.82	115,608,781	2,316,185
4,000- 4,999	344,018,044	70,068,910	25,621,832	87,493,970	113,115,802	1.01	172,306,754	3,486,974
5,000- 5,999	409,840,591	73,004,046	35,209,882	85,529,982	120,739,864	1.20	229,954,706	4,928,910
6,000- 6,999	472,486,187	74,773,696	37,583,944	83,988,081	121,572,025	1.39	284,804,413	6,560,065
7,000- 7,999	533,026,115	75,467,512	44,697,411	82,837,646	127,535,057	1.63	339,779,743	8,675,981
8,000- 8,999	596,191,060	75,597,750	47,177,817	82,751,337	129,929,154	1.89	396,988,825	11,287,175
9,000- 9,999	656,532,504	75,522,927	54,297,088	87,846,054	142,143,142	2.08	446,650,743	13,683,658
10,000-10,999	707,156,407	75,207,503	57,926,258	92,455,830	150,382,088	2.22	485,397,876	15,675,684
11,000-11,999	753,116,358	74,471,319	59,562,605	96,769,118	156,331,723	2.34	522,159,412	17,592,772
12,000-12,999	796,389,014	73,831,188	66,567,319	100,095,579	166,662,898	2.44	556,700,481	19,401,485
13,000-13,999	827,681,741	72,846,965	72,085,238	98,920,749	171,005,987	2.52	582,092,820	20,850,273
14,000-14,999	847,848,325	69,998,634	76,264,560	93,040,168	169,304,728	2.64	607,038,219	22,362,076
15,000-19,999	4,485,545,988	323,055,008	459,140,506	370,961,785	830,102,291	2.92	3,307,629,141	131,031,400
20,000-24,999	4,734,120,330	290,950,067	585,846,213	243,381,414	829,227,627	3.21	3,575,523,727	151,844,444
25,000-29,999	4,982,170,319	273,096,979	754,011,657	157,505,329	911,516,986	3.36	3,795,997,640	167,378,749
30,000-34,999	4,836,191,701	240,546,500	782,083,859	90,184,885	872,268,744	3.45	3,689,460,485	167,007,070
35,000-39,999	4,583,447,853	208,497,343	806,392,176	47,820,704	854,212,880	3.52	3,491,137,790	161,188,354
40,000-44,999	4,175,844,967	173,942,136	772,002,013	23,585,488	795,587,501	3.59	3,180,763,645	149,716,639
45,000-49,999	3,705,371,350	141,654,678	708,387,925	10,981,204	719,369,129	3.65	2,822,367,221	135,174,164
50,000-74,999	11,471,653,318	358,756,308	2,252,264,766	10,134,045	2,262,398,811	3.81	8,779,699,885	437,084,980
75,000-99,999	4,426,123,560	99,433,130	845,361,296	978,791	846,340,087	4.03	3,423,757,845	178,545,430
100,000 and over	10,340,815,995	82,459,742	1,628,728,019	633,546	1,629,361,565	3.56	6,642,747,927	368,048,933
Totals	**$65,286,915,945**	**$3,227,092,672**	**$10,353,616,869**	**$2,257,423,458**	**$12,611,040,327**	**3.36%**	**$47,503,664,380**	**$2,193,945,401**

Section 58.1-321 stipulates that no income tax is imposed, nor any return required to be filed by individuals with Virginia Adjusted Gross Income of less than $3,000. Consequently "Total Tax" will be significantly less than 2 percent of "Total Taxable Income" for the income classes $0 - $2,000.

Table 1.3

Number and Type of Returns, by Virginia Adjusted Gross Income Classes
Taxable Year 1986

Adjusted Gross Income Classes	Individual Returns	Joint Returns Married	Separate Returns Married	Combined Returns Married	Total Returns
$0- $999	41,027	8,596	2,981	844	53,448
1,000- 1,999	61,186	4,428	3,797	448	69,859
2,000- 2,999	63,843	5,912	4,147	777	74,679
3,000- 3,999	67,623	7,919	4,398	1,230	81,170
4,000- 4,999	61,354	8,848	4,193	2,124	76,519
5,000- 5,999	57,583	9,840	4,353	2,800	74,576
6,000- 6,999	54,562	10,283	4,229	3,648	72,722
7,000- 7,999	52,181	10,269	4,132	4,521	71,103
8,000- 8,999	50,727	10,158	4,086	5,182	70,153
9,000- 9,999	49,114	10,204	4,137	5,664	69,119
10,000-10,999	46,723	10,358	4,155	6,150	67,386
11,000-11,999	44,379	10,382	4,083	6,656	65,500
12,000-12,999	42,171	10,379	3,933	7,259	63,742
13,000-13,999	39,467	10,199	3,768	7,901	61,335
14,000-14,999	37,009	9,719	3,570	8,194	58,492
15,000-19,999	149,690	45,170	14,234	48,624	257,718
20,000-24,999	99,241	40,696	9,736	61,401	211,074
25,000-29,999	66,321	37,565	6,191	71,506	181,583
30,000-34,999	41,230	32,365	3,887	71,685	149,167
35,000-39,999	24,839	26,716	2,454	68,507	122,516
40,000-44,999	15,502	21,186	1,553	60,226	98,467
45,000-49,999	9,925	16,615	1,065	50,571	78,176
50,000-74,999	17,597	43,935	2,019	128,178	191,729
75,000-99,999	3,740	13,128	631	34,572	52,071
100,000 and over	4,306	11,552	1,420	25,251	42,529
Totals	1,201,340	426,422	103,152	683,919	2,414,833

Figure 2

Number and Type of Returns
Taxable Year 1986

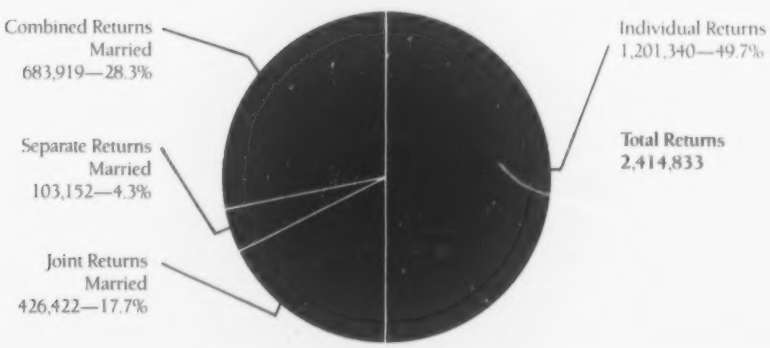


Table 1.4

Number of Returns, Number and Type of Exemptions, by Virginia Adjusted Gross Income Classes—Taxable Year 1986

Adjusted Gross Income Classes	Total Number of Returns	Number and Type of Total Exemptions				
		Personal ($600)	Dependent ($600)	Age ($600)	Blindness ($600)	Total Number of Exemptions
$0- $999	53,448	62,993	13,438	6,575	118	83,124
1,000- 1,999	69,859	74,770	11,137	4,030	101	90,038
2,000- 2,999	74,679	81,430	13,992	6,946	135	102,503
3,000- 3,999	81,170	90,394	17,927	11,418	210	119,949
4,000- 4,999	76,519	87,585	20,206	14,449	264	122,504
5,000- 5,999	74,576	87,344	23,462	15,809	288	126,903
6,000- 6,999	72,722	86,799	26,210	16,026	351	129,386
7,000- 7,999	71,103	86,044	28,252	15,563	322	130,181
8,000- 8,999	70,153	85,644	29,682	14,355	327	130,008
9,000- 9,999	69,119	85,163	30,837	13,228	286	129,514
10,000-10,999	67,386	84,061	32,085	12,313	284	128,743
11,000-11,999	65,500	82,732	32,382	11,854	267	127,235
12,000-12,999	63,742	81,571	33,174	10,914	254	125,913
13,000-13,999	61,335	79,663	33,884	10,210	248	124,005
14,000-14,999	58,492	76,621	32,816	9,322	220	118,979
15,000-19,999	257,718	352,630	156,632	37,634	932	547,828
20,000-24,999	211,074	314,312	149,571	26,991	679	491,553
25,000-29,999	181,583	291,529	147,784	20,081	559	459,953
30,000-34,999	149,167	253,864	134,716	15,162	416	404,158
35,000-39,999	122,516	218,217	119,177	12,111	321	349,826
40,000-44,999	98,467	180,190	101,395	9,652	253	291,490
45,000-49,999	78,176	145,588	83,712	7,780	215	237,295
50,000-74,999	191,729	364,277	214,925	20,776	534	600,512
75,000-99,999	52,071	99,923	58,764	7,524	142	166,353
100,000 and over	42,529	79,720	47,791	10,211	190	137,912
Totals	2,414,833	3,533,064	1,593,951	340,934	7,916	5,475,865

Figure 3

Number of Returns, Number and Type of Exemptions by Virginia Gross Income Classes Taxable Year 1986

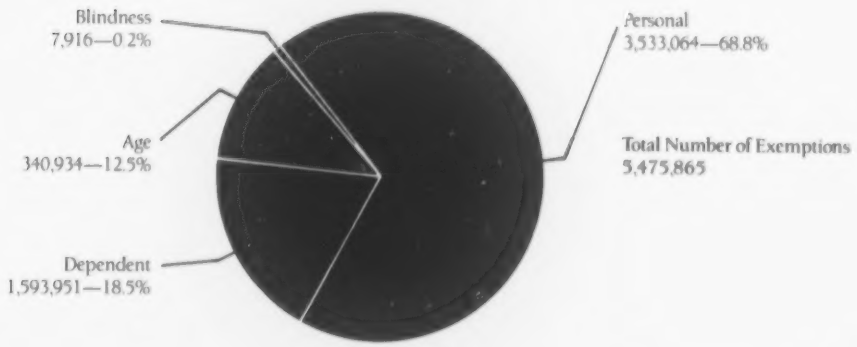


Table 1.5

Set-Off Debt, Number of Claims and Total Dollar Amounts Transferred to Agencies for Taxable Years 1982-1986

Under the Set-Off Debt program, the Department of Taxation has the authority to stop a refund to satisfy a debt the taxpayer has with a qualified state or local agency. Each year state and local claimant agencies furnish the Tax Department with an estimate of the number of accounts to be forwarded for a possible set-off. The agencies then submit claims for delinquent debts which they are owed. STARS (the State Tax Accounting and Reporting System) checks the debts against refund claims for a set-off match. If a match occurs, the claimant agency notifies the taxpayer of its right to all or part of the refund.

Enacted in 1981, the Set-Off Debt Collection Act was amended in 1984 to include voluntary participation by circuit and district courts. The 1986 session of the General Assembly amended the Act to mandate that all state courts shall participate. Claims under this amendment were first filed in November, 1986 and are not shown in these statistics.

	Taxable Year 1982		Taxable Year 1983		Taxable Year 1984		Taxable Year 1985		Taxable Year 1986	
	Number of Payments	Dollar Amount	Number of Payments	Dollar Amount	Number of Payments	Dollar Amount	Number of Payments	Dollar Amount	Number of Payments	Dollar Amount
State Agencies	14,827	$1,081,958.26	30,152	$2,230,545.18	27,404	$2,181,567.44	36,789	$3,008,711.05	50,411	$4,417,286.38
Circuit Courts	—	—	20	1,582.14	969	59,177.27	2,028	134,450.54	3,304	237,346.08
District Courts	—	—	—	—	—	—	2,477	111,503.74	3,259	159,759.90
Counties	—	—	—	—	9,392	761,801.53	15,553	1,240,621.39	22,747	1,915,465.42
Cities	—	—	—	—	2,553	168,165.89	6,313	426,864.34	14,404	1,084,387.66
Towns	—	—	—	—	354	14,313.37	389	17,356.29	704	26,487.06
Totals	**14,827**	**$1,081,958.26**	**30,172**	**$2,232,127.32**	**40,672**	**$3,185,025.50**	**63,549**	**$4,939,507.35**	**94,829**	**$7,840,732.50**

**Under separate authority, the Internal Revenue Service receives refund matches for prior year tax dues through this program. For taxable year 1986, the IRS matched 730 payments for a total of $138,199.95. These figures are not reflected in the above 1986 totals.*

Table 1.6

Refund Match Totals for Taxable Years 1983-1986

Refund Match is a program that matches an overpayment amount on a taxpayer's return to any outstanding account the taxpayer has with the agency. Through a match of data on the return, the computer system automatically reduces the overpayment amount by the amount of the outstanding bill.

Year	Total
1983	$2,501,996.46
1984	2,581,188.48
1985	2,851,320.28
1986	2,851,126.31

Table 1.7

Refund Check-offs for Taxable Year 1986

	Refund Check-offs	Dollar Amount
Democrats	20,396*	$40,792.00
Republicans	16,493*	32,986.00
Nongame Wildlife Program	56,834	642,713.18

**Political Party refund check-offs are $2.00 per contribution. Contributions are voluntary and are limited to one per person (filing a separate return) or two check-offs (for a total of $4.00) for a married couple filing together. (Va. Code Section 24.1.1) Nongame wildlife contributions are also voluntary but are not limited to a dollar amount.*

Figure 4

Number of Refund Check-offs Taxable Year 1986

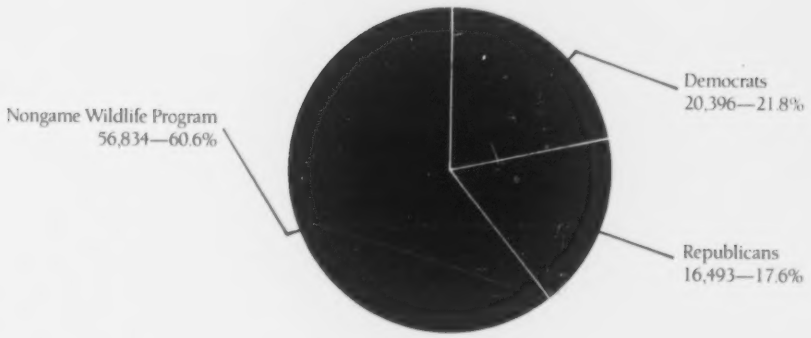


Table 1.8

Total Virginia Adjusted Gross Income, Total Exemptions, Total Deductions and Number of Returns, by Locality—Taxable Year 1986

Virginia Adjusted Gross Income

Counties	Total	$0-$4,999	$5,000-$9,999	$10,000-$14,999	$15,000-$19,999	$20,000-$24,999	$25,000-$29,999	$30,000-$39,999	$40,000-$49,999	$50,000-$74,999	$75,000-and over
Accomack	$232,911,541	$6,652,078	$19,898,305	$30,988,038	$22,774,704	$22,750,902	$21,593,734	$35,436,258	$20,719,604	$19,515,900	$32,582,018
Albemarle	703,377,734	7,934,679	22,492,409	35,783,204	43,873,488	45,193,559	45,366,373	90,073,351	78,929,539	123,633,753	210,097,379
Alleghany	114,945,673	2,267,096	6,200,660	8,000,886	8,211,784	9,880,243	10,313,428	23,005,747	22,863,357	17,418,530	6,783,942
Amelia	62,658,728	1,420,137	4,405,801	6,827,546	6,705,796	6,850,022	7,468,248	10,572,219	8,250,523	6,763,219	3,395,217
Amherst	232,548,610	4,031,045	13,386,968	19,150,656	19,521,765	21,976,632	24,851,122	49,193,185	35,798,680	27,676,780	16,961,757
Appomattox	96,218,589	1,886,178	6,097,826	8,915,206	8,617,089	9,358,091	11,687,365	20,223,287	13,738,017	10,135,527	5,560,003
Arlington	2,755,325,650	20,627,749	64,578,702	107,272,314	158,570,572	184,333,281	190,414,738	354,014,002	304,398,244	567,302,675	803,813,373
Augusta	449,180,350	7,599,009	23,471,889	38,744,962	43,107,398	46,420,162	49,102,278	96,306,031	61,797,868	46,199,090	36,431,663
Bath	45,632,119	970,440	3,360,785	5,952,481	4,601,092	4,701,071	4,688,946	7,113,648	3,886,386	4,343,084	6,014,186
Bedford	388,118,190	6,180,529	18,539,054	28,009,400	32,268,206	36,041,935	40,162,709	74,129,567	53,454,857	53,837,786	45,494,147
Bland	38,580,008	1,018,757	2,885,207	4,177,850	4,339,306	5,219,260	5,194,879	8,492,829	3,843,857	2,072,737	1,335,326
Botetourt	228,830,545	3,828,590	10,841,022	16,076,248	17,067,081	18,889,992	21,460,319	47,721,854	37,094,735	34,613,032	21,237,672
Brunswick	105,172,069	2,624,422	9,442,074	10,416,959	11,893,875	10,708,305	9,259,997	15,821,228	7,649,535	5,724,328	21,631,346
Buchanan	225,042,167	4,967,851	12,998,447	15,926,039	18,346,027	19,726,165	24,431,167	47,291,268	23,543,130	16,740,150	41,071,923
Buckingham	73,695,541	2,040,806	6,962,642	9,766,935	8,956,592	8,314,641	8,320,629	12,209,556	6,266,269	5,345,399	5,512,072
Campbell	403,549,032	6,997,116	22,435,935	34,035,687	34,862,674	39,145,298	42,380,028	81,107,169	63,758,149	52,595,674	26,231,302
Caroline	158,253,610	3,342,526	10,161,682	15,431,573	15,120,415	15,141,576	16,992,429	28,531,550	19,546,136	19,250,593	14,735,130
Carroll	162,674,553	4,081,528	13,956,634	21,361,353	21,549,795	21,891,199	24,189,209	29,996,643	12,558,886	7,879,024	5,210,282
Charles City	57,030,905	1,300,779	4,023,835	5,501,315	5,399,422	5,497,525	6,354,036	9,288,913	6,445,201	7,632,817	5,587,062
Charlotte	70,996,785	1,836,996	6,647,807	9,420,962	9,311,655	8,835,385	8,474,443	11,247,815	6,679,186	3,656,387	4,886,149
Chesterfield	2,305,427,433	23,695,383	54,148,300	86,715,983	107,462,121	124,727,463	154,951,721	374,414,923	398,588,419	592,299,115	388,424,005
Clarke	117,741,790	1,686,264	5,100,808	7,943,855	8,443,127	8,587,527	9,331,462	16,432,266	14,853,018	15,874,280	29,489,183
Craig	32,009,962	647,884	1,928,644	3,034,906	3,964,458	4,141,266	4,260,488	6,688,975	3,617,804	2,185,366	1,540,171
Culpeper	222,324,690	4,143,781	11,739,903	18,121,359	20,158,804	19,115,609	22,368,912	40,134,847	30,672,097	29,007,465	26,861,913
Cumberland	47,876,246	1,442,356	4,758,613	6,078,418	5,414,458	5,739,219	4,831,052	7,264,594	4,926,014	4,664,961	2,756,561
Dickenson	104,066,242	2,635,817	7,260,058	7,493,429	8,410,160	10,123,975	11,088,602	23,451,937	14,453,441	9,115,642	10,033,181
Dinwiddie	169,613,977	3,323,171	10,871,015	15,625,062	14,455,238	14,951,153	16,660,673	30,762,921	25,890,594	24,624,408	12,449,742
Essex	74,494,178	1,740,564	5,224,123	7,779,526	7,828,528	7,433,421	7,329,318	12,105,165	7,397,682	8,277,777	9,378,074
Fairfax	11,831,196,193	101,079,552	209,562,901	316,880,592	459,366,877	522,494,087	567,130,900	1,183,552,256	1,289,867,629	3,180,105,412	4,001,155,987
Fauquier	623,164,402	6,172,666	16,611,468	26,255,754	30,782,341	31,169,900	31,567,260	73,260,852	77,257,993	127,438,102	202,648,066
Floyd	79,828,760	1,824,135	5,673,159	8,646,343	9,285,611	10,151,012	11,263,954	16,783,972	8,341,157	5,242,967	2,616,450
Fluvanna	88,183,785	1,612,536	4,997,584	8,046,244	8,284,258	8,036,605	9,309,067	18,027,928	12,906,461	10,600,586	6,362,516
Franklin	322,554,428	5,848,871	19,805,063	30,058,120	32,822,243	32,654,237	37,206,305	59,362,954	38,828,181	30,677,834	35,290,620
Frederick	381,685,440	6,511,368	18,212,008	28,016,364	32,741,497	35,008,706	39,963,041	73,811,537	55,705,442	48,754,279	42,961,198
Giles	132,274,317	2,855,263	8,051,994	11,064,892	15,193,108	17,492,948	15,225,584	26,248,066	17,822,208	10,496,774	7,823,480
Gloucester	256,437,904	4,256,544	11,370,456	15,739,080	18,352,090	21,419,005	26,178,895	51,092,861	36,987,485	36,150,216	34,891,272
Goochland	166,156,263	1,947,965	5,808,441	8,973,528	8,981,373	9,172,420	10,364,404	20,812,005	17,399,628	20,613,187	62,083,312
Grayson	99,018,784	2,744,077	10,040,018	13,555,321	13,747,392	13,977,928	12,860,104	13,741,362	5,930,667	4,484,068	7,937,847
Greene	77,761,073	1,219,285	3,753,689	7,114,754	8,308,405	7,103,154	8,674,209	19,066,844	10,828,692	7,824,534	3,867,507
Greensville	74,458,929	1,997,147	6,067,203	8,089,615	9,175,441	10,226,132	8,751,236	13,382,790	7,396,942	4,545,108	4,827,315
Halifax	194,184,139	4,496,501	14,725,349	24,005,845	24,099,623	22,417,253	24,158,324	37,952,357	17,997,114	10,769,498	13,562,275
Hanover	679,649,706	8,270,953	23,474,953	34,746,722	38,230,759	42,192,914	47,673,234	113,992,396	115,703,887	147,706,946	107,656,942
Henrico	2,343,487,105	25,362,072	71,293,645	122,052,604	157,301,334	170,608,422	186,569,046	352,998,717	331,538,359	441,197,790	484,565,716
Henry	528,735,208	10,082,300	34,319,870	59,386,397	57,987,545	55,290,220	62,173,257	102,770,600	59,472,228	45,303,728	41,949,063
Highland	19,451,719	358,685	1,613,979	2,343,973	2,145,744	2,536,385	2,047,444	2,893,407	1,869,060	1,605,994	2,037,048
Isle of Wight	236,148,428	3,549,703	10,081,699	16,569,773	20,018,284	23,144,242	23,123,896	47,273,393	39,636,275	33,464,934	19,286,229
James City	442,741,311	5,177,769	13,322,391	19,778,300	20,918,127	22,262,287	24,080,968	46,912,718	43,858,677	76,196,120	170,233,954
King George	120,276,424	1,761,145	4,962,292	7,708,218	9,031,235	10,373,136	9,862,041	19,371,850	17,790,505	24,412,766	15,003,236
King & Queen	47,387,672	1,123,207	4,190,205	5,208,644	4,264,199	4,879,500	4,828,843	8,598,558	6,727,062	5,463,543	2,103,911
King William	95,627,418	1,676,114	5,104,296	6,440,155	6,596,362	7,017,208	7,770,565	17,443,289	15,322,845	17,971,729	10,284,855
Lancaster	111,958,775	2,082,410	6,150,091	7,603,052	9,024,655	8,538,971	7,714,749	13,752,783	10,456,729	14,425,478	32,209,857
Lee	123,780,408	3,794,698	11,190,480	13,110,248	12,426,547	12,807,967	13,060,614	23,763,517	14,179,638	10,504,606	8,942,093
Loudoun	1,087,788,635	9,465,451	22,767,356	36,414,289	46,530,542	51,438,669	55,008,246	136,103,998	154,054,779	294,769,120	281,236,185
Louisa	155,690,695	3,134,159	9,742,551	15,096,755	14,268,938	14,846,070	15,655,417	29,242,038	18,175,904	15,199,642	20,329,221
Lunenburg	70,614,063	2,045,009	6,990,585	9,908,121	8,363,547	8,727,144	7,632,792	11,648,374	5,971,112	4,778,713	4,548,666
Madison	82,985,503	1,655,485	5,420,546	8,325,911	9,094,799	7,985,950	8,307,477	15,252,287	9,113,660	9,980,604	7,848,784
Mathews	81,523,398	1,437,073	4,154,197	5,723,428	6,410,551	7,645,102	6,988,032	13,687,971	10,135,903	12,113,276	13,227,865
Mecklenburg	262,016,155	5,001,995	19,406,271	24,324,954	26,090,561	24,015,611	22,438,917	33,819,123	20,072,375	16,632,198	70,214,150
Middlesex	74,563,343	1,619,202	4,556,579	6,577,006	6,171,515	7,930,213	7,185,015	11,651,539	8,204,521	8,481,134	12,186,619
Montgomery	502,374,497	12,584,139	29,751,029	38,563,305	44,369,408	44,410,193	46,038,405	84,963,488	64,052,949	77,736,163	59,905,418
Nelson	89,820,579	1,921,932	6,412,420	9,635,472	9,719,646	9,415,084	9,499,533	15,102,102	10,131,826	8,492,778	9,489,786
New Kent	100,566,117	1,427,667	3,924,996	5,927,020	6,568,793	7,247,813	8,213,489	18,430,731	17,915,847	21,804,046	9,105,715
Northampton	83,594,501	2,941,422	9,054,533	11,239,027	10,008,191	8,681,260	7,790,056	10,143,514	6,503,113	6,654,534	10,578,851
Northumberland	82,061,783	1,974,434	5,806,981	7,317,360	7,789,468	7,783,812	8,028,316	11,796,962	7,692,948	10,561,621	13,309,819
Nottoway	98,237,261	2,502,576	8,149,652	10,024,442	10,362,023	10,193,950	10,407,103	17,172,507	12,492,793	9,232,433	7,699,782
Orange	188,016,644	3,311,654	10,343,049	16,076,833	15,900,608	15,902,290	18,954,024	33,298,948	23,365,730	25,864,486	24,999,022
Page	154,547,681	3,606,797	11,797,136	17,643,611	16,606,893	17,075,734	19,286,181	28,699,145	16,208,016	12,727,746	10,896,422
Patrick	124,881,964	2,507,867	8,664,435	16,485,240	15,537,577	14,722,141	16,510,286	27,311,399	11,791,244	7,124,584	4,227,191
Pittsylvania	475,225,448	10,271,047	34,844,773	53,288,281	53,066,343	51,692,750	56,059,743	97,651,096	59,052,390	38,217,134	21,081,891
Powhatan	123,910,715	1,775,259	4,880,219	7,310,064	8,191,095	9,161,910	10,223,800	22,790,071	21,263,780	22,780,524	15,533,993
Prince Edward	97,374,041	2,641,946	8,848,049	10,669,884	10,333,430	10,931,686	9,512,716	16,223,472	8,998,513	10,273,354	8,940,991
Prince George	187,942,455	2,810,184	8,342,684	12,556,214	12,473,498	13,056,888	17,091,930	34,407,763	32,319,230	37,751,672	17,132,392
Prince William	2,145,026,096	26,085,952	53,426,161	84,298,410	109,286,338	117,474,591	131,523,706	308,571,622	341,495,320	632,177,096	340,686,900
Pulaski	263,952,965	5,775,774	16,526,913	24,948,559	26,118,608	28,158,013	32,927,237	54,393,313	36,106,276	24,246,124	14,752,148
Rappahannock	62,173,804	942,909	2,997,787	4,213,928	5,454,491	4,703,176	5,569,511	9,100,334	7,556,221	8,437,133	13,198,314

Table 1.8, continued

Total Virginia Adjusted Gross Income, Total Exemptions, Total Deductions and Number of Returns, by Locality—Taxable Year 1986

Virginia Adjusted Gross Income

Counties	Total	$0-$4,999	$5,000-$9,999	$10,000-$14,999	$15,000-$19,999	$20,000-$24,999	$25,000-$29,999	$30,000-$39,999	$40,000-$49,999	$50,000-$74,999	$75,000-and over
Richmond	$76,789,950	$2,277,394	$5,816,857	$8,205,170	$8,131,972	$7,323,714	$6,290,084	$11,243,044	$8,292,630	$7,127,147	$12,081,938
Roanoke	875,446,611	12,205,696	31,449,792	47,454,850	52,341,360	59,643,624	71,452,469	152,832,864	138,916,493	155,953,736	153,195,727
Rockbridge	137,801,202	2,938,711	9,473,518	12,888,640	15,717,987	16,569,570	14,833,710	25,959,225	15,015,396	11,589,470	12,814,975
Rockingham	493,879,090	7,825,207	27,995,631	48,522,897	47,165,074	52,738,286	57,343,652	93,711,696	57,161,432	48,835,135	52,580,080
Russell	186,695,912	4,007,582	13,637,770	15,021,835	16,359,615	19,512,255	19,543,192	44,149,643	25,841,191	16,015,502	12,607,327
Scott	150,356,117	3,064,956	10,205,529	14,321,243	15,511,745	18,002,112	18,039,968	33,207,334	17,433,795	13,608,614	6,960,821
Shenandoah	244,167,481	4,863,275	16,328,468	25,988,393	26,561,930	29,153,077	29,188,289	45,019,566	25,425,187	22,084,855	19,554,441
Smyth	219,693,792	5,080,326	16,351,903	23,648,711	28,234,025	28,044,137	27,522,145	38,758,416	20,950,712	12,811,156	18,292,261
Southampton	138,416,888	2,669,085	7,970,785	11,083,566	12,681,998	13,045,960	13,437,177	25,715,605	18,908,544	18,519,405	14,384,763
Spotsylvania	437,928,637	5,976,354	15,445,289	23,956,285	28,965,901	31,855,726	36,245,914	86,846,346	78,197,669	88,069,442	42,369,711
Stafford	509,372,328	6,690,916	15,994,804	24,946,448	29,910,033	31,731,259	37,337,009	84,747,100	88,227,890	130,405,922	59,380,947
Surry	60,933,157	1,224,646	3,167,736	4,279,715	4,769,574	5,634,786	5,540,295	10,811,298	7,258,452	5,784,801	12,461,854
Sussex	89,206,690	2,060,159	6,223,543	8,054,681	8,369,276	9,240,103	8,078,357	12,036,298	9,383,559	7,360,521	18,400,193
Tazewell	354,282,279	6,965,286	21,390,481	26,562,157	27,749,523	31,459,114	36,659,463	65,027,988	42,758,324	36,088,524	59,621,419
Warren	210,495,182	3,994,127	12,049,321	17,181,163	23,076,753	22,222,283	23,037,392	42,473,150	27,502,702	23,009,535	15,948,756
Washington	340,973,290	7,176,037	23,171,163	32,057,903	36,502,970	36,922,133	35,433,714	57,825,745	36,012,759	33,809,897	42,060,969
Westmoreland	116,586,159	2,942,340	9,233,094	12,209,040	11,665,827	10,690,434	11,449,770	20,590,106	13,429,743	13,717,640	10,658,165
Wise	305,167,764	6,734,078	18,087,773	20,671,109	23,185,976	25,585,996	29,165,157	63,337,329	42,307,958	34,810,998	41,281,390
Wythe	181,021,656	4,812,649	14,480,894	20,259,862	19,541,428	21,358,197	20,509,256	32,028,921	17,449,168	12,981,293	17,599,988
York	378,859,322	6,493,673	14,291,209	19,220,126	21,854,157	22,738,593	25,277,600	55,994,410	60,219,383	96,541,550	56,228,621
Total Counties	$40,857,407,358	$544,170,927	$1,493,776,264	$2,239,048,598	$2,617,334,667	$2,823,340,987	$3,052,322,790	$5,963,676,641	$5,198,813,529	$8,139,502,956	$8,785,419,999

Virginia Adjusted Gross Income

Cities	Total	$0-$4,999	$5,000-$9,999	$10,000-$14,999	$15,000-$19,999	$20,000-$24,999	$25,000-$29,999	$30,000-$39,999	$40,000-$49,999	$50,000-$74,999	$75,000-and over
Alexandria	$2,105,237,292	$18,301,973	$56,623,115	$95,466,022	$134,247,131	$154,750,905	$159,175,776	$279,862,492	$219,189,457	$382,451,266	$605,169,155
Bedford	43,933,666	1,130,705	3,360,431	4,601,221	4,934,091	4,370,876	4,299,390	7,936,702	5,290,706	5,455,346	2,554,198
Bristol	268,635,657	5,739,715	21,929,288	29,920,764	33,757,121	31,515,703	23,773,231	38,032,983	25,251,533	22,248,951	36,466,368
Buena Vista	50,411,810	1,138,975	3,041,403	4,023,010	5,771,497	6,324,238	5,740,116	9,563,134	5,188,835	3,512,806	6,107,796
Charlottesville	391,465,499	8,243,324	22,947,660	35,309,844	34,384,492	31,858,359	27,702,652	49,119,853	39,311,700	52,846,705	89,740,910
Chesapeake	1,310,564,750	20,180,727	56,794,581	85,212,665	96,259,635	108,902,849	119,477,824	246,697,821	219,923,892	244,669,974	112,444,782
Clifton Forge	40,479,537	1,173,372	2,905,421	3,158,023	3,259,433	3,198,413	3,516,094	7,764,817	5,004,542	4,590,914	5,908,508
Colonial Heights	187,815,720	2,743,317	7,831,035	11,329,750	12,826,261	13,149,770	16,653,457	33,297,161	31,808,692	37,035,786	21,140,491
Covington	60,242,396	1,690,070	4,715,789	5,216,235	5,207,048	6,125,615	6,112,923	13,579,353	9,316,689	6,481,330	1,797,344
Danville	437,750,645	9,410,499	29,101,375	42,562,089	41,834,136	34,912,063	37,365,127	65,967,366	47,244,814	40,592,732	88,760,444
Emporia	35,356,450	856,887	3,126,317	4,021,634	4,252,118	3,298,372	3,560,012	4,968,336	3,316,147	2,807,881	5,148,746
Fairfax	193,727,736	2,162,381	4,769,841	7,361,260	9,715,568	11,645,444	13,041,941	22,417,716	24,171,394	53,879,684	44,562,507
Falls Church	306,581,769	3,698,578	10,996,034	16,679,288	19,639,181	20,287,917	21,882,759	35,964,333	33,233,501	64,862,314	79,337,883
Franklin	60,870,336	1,354,197	3,633,988	4,131,464	4,574,062	4,589,910	4,824,036	9,043,463	8,761,383	10,538,647	9,419,186
Fredericksburg	201,985,833	3,839,808	10,376,703	15,230,634	17,576,310	18,090,078	16,989,799	27,360,277	20,006,206	28,103,282	44,412,736
Galax	57,960,413	1,508,070	5,854,195	7,730,841	6,238,932	6,834,425	5,309,562	7,140,042	4,557,915	4,290,216	8,496,215
Hampton	1,091,759,815	21,343,439	56,996,159	79,093,222	96,250,948	106,410,131	113,049,332	208,256,448	165,008,551	154,795,946	90,555,639
Harrisonburg	214,637,044	4,443,282	12,395,025	19,064,787	19,745,699	17,569,114	17,601,486	32,737,616	24,539,439	28,384,556	38,156,040
Hopewell	198,196,271	4,016,633	11,975,637	16,715,946	16,620,227	17,321,018	21,252,784	42,790,509	29,618,729	28,369,713	9,515,075
Lexington	44,874,872	812,869	2,455,354	3,119,375	3,804,802	3,679,053	3,568,774	6,065,953	5,643,049	7,795,989	7,929,654
Lynchburg	620,813,862	12,050,601	35,696,587	46,847,306	49,030,357	48,373,799	51,716,711	92,947,638	70,132,252	81,679,745	132,338,864
Manassas	325,188,254	3,215,024	7,936,440	11,882,639	14,802,708	16,468,733	20,614,888	46,029,109	46,974,093	81,064,544	76,200,076
Manassas Park	49,691,199	706,882	2,066,169	3,296,261	4,273,991	4,571,418	6,123,352	12,626,291	8,512,659	7,024,979	489,197
Martinsville	216,001,045	3,781,281	12,510,280	19,859,442	17,837,935	15,349,336	14,517,427	22,331,052	16,374,900	21,259,555	72,179,837
Newport News	1,402,341,801	26,759,743	71,106,332	95,190,189	117,007,918	140,147,212	142,128,079	245,981,263	192,927,280	195,904,309	175,189,476
Norfolk	1,805,501,451	39,843,928	124,383,677	171,792,032	181,740,160	176,394,523	163,960,602	266,384,393	178,982,096	182,495,347	319,524,693
Norton	35,989,927	854,451	2,053,005	2,539,338	2,790,139	2,603,036	2,712,629	6,467,184	3,474,237	4,792,902	7,703,006
Petersburg	304,887,000	8,729,114	24,412,711	34,672,750	30,408,152	25,406,319	25,498,025	45,792,292	31,878,522	37,135,943	40,953,172
Poquoson	114,790,234	1,769,154	3,557,573	4,639,764	6,016,321	7,166,851	8,807,303	19,219,122	19,928,282	28,491,698	15,194,166
Portsmouth	861,739,712	16,989,533	54,301,204	79,180,746	87,965,842	93,549,230	91,849,760	160,856,569	108,053,912	99,389,628	69,603,288
Radford	95,299,638	2,101,222	4,842,942	7,092,696	8,041,047	8,374,363	8,617,368	15,766,381	12,896,838	15,331,857	12,234,924
Richmond	2,406,814,964	42,429,027	134,450,293	203,444,147	210,903,794	195,798,314	189,221,063	294,405,877	208,241,882	272,505,907	655,414,660
Roanoke	883,764,454	20,199,158	63,572,437	84,930,129	83,977,896	83,221,673	84,017,321	140,834,703	88,678,150	87,526,450	146,806,537
Salem	223,203,658	3,871,052	11,520,691	16,428,721	18,207,684	18,928,971	21,396,331	40,066,337	30,433,313	31,070,451	31,280,107
South Boston	57,169,495	1,145,797	3,733,474	5,996,604	5,655,941	5,375,186	5,353,582	8,013,801	6,362,634	7,025,505	8,506,971
Staunton	207,158,290	4,056,497	12,516,925	20,122,508	19,261,332	19,215,358	18,163,893	35,396,509	26,034,190	23,723,495	28,667,583
Suffolk	445,063,810	8,345,995	25,224,550	34,204,393	39,606,869	41,009,413	42,293,172	79,907,111	59,194,134	60,500,280	54,777,893
Virginia Beach	3,289,868,083	54,025,149	138,921,455	197,115,135	228,704,655	241,503,745	251,289,975	505,042,574	443,908,800	592,987,177	636,369,418
Waynesboro	189,265,856	3,362,126	10,902,094	14,706,715	15,113,150	16,885,134	16,772,869	32,740,054	22,744,811	25,723,666	30,315,237
Williamsburg	96,190,891	1,879,741	5,060,291	7,293,907	7,170,128	6,660,278	8,370,470	11,389,262	10,297,554	15,354,919	24,714,343
Winchester	221,389,555	4,474,897	12,985,361	17,264,245	20,578,837	19,750,798	19,777,544	30,930,804	21,817,929	24,992,475	48,816,665
Total Cities	$21,154,620,709	$374,379,193	$1,093,583,842	$1,568,447,743	$1,739,993,546	$1,791,587,943	$1,816,099,439	$3,261,694,701	$2,534,235,642	$3,079,694,870	$3,894,903,790
Unassigned to Localities	$3,274,657,670	$26,810,390	$80,708,034	$124,587,964	$128,212,568	$119,247,787	$113,618,037	$194,375,602	$148,139,533	$252,573,080	$2,086,384,675
Aggregate	$65,286,685,737	$945,360,510	$2,668,068,140	$3,932,084,305	$4,485,540,781	$4,734,176,717	$4,982,040,266	$9,419,746,944	$7,881,188,704	$11,471,770,906	$14,766,708,464

Table 1.8, continued

Total Virginia Adjusted Gross Income, Total Exemptions, Total Deductions and Number of Returns, by Locality—Taxable Year 1986

	Exemptions		Deductions			Number of Returns				
Counties	Number of Exemptions	Amount of Exemptions	Number of Returns Standard	Number of Returns Itemized	Total Amount	Total Returns	Individual Returns	Joint Returns Married	Separate Returns Married	Combined Returns Married
Accomack	30,969	$18,414,216	9,734	3,027	$38,488,225	12,761	6,830	2,172	293	3,466
Albemarle	51,975	30,715,167	12,134	10,653	130,539,043	22,787	10,934	4,254	378	7,221
Alleghany	13,137	7,806,469	3,310	1,892	17,239,135	5,202	2,025	1,424	42	1,711
Amelia	8,013	4,772,892	2,263	1,029	10,735,548	3,292	1,541	669	63	1,019
Amherst	25,668	15,333,421	6,635	4,027	39,229,079	10,662	4,762	1,889	147	3,864
Appomattox	11,721	6,982,770	3,171	1,559	15,250,791	4,730	1,961	941	65	1,763
Arlington	154,500	90,348,616	38,868	42,172	487,892,596	81,040	53,127	10,483	2,375	15,055
Augusta	50,040	29,835,186	13,200	7,487	74,539,453	20,687	8,508	4,054	277	7,848
Bath	5,873	3,486,115	1,770	576	6,978,721	2,346	1,027	529	50	740
Bedford	40,340	23,952,325	9,774	6,775	68,780,364	16,549	6,405	3,236	244	6,664
Bland	5,403	3,225,136	1,613	554	6,003,088	2,167	836	584	29	718
Botetourt	23,588	14,031,758	5,655	4,123	40,287,399	9,778	3,929	2,056	132	3,661
Brunswick	13,005	7,767,825	3,871	1,458	15,942,227	5,329	2,667	960	158	1,544
Buchanan	26,884	16,066,718	7,493	2,593	29,811,278	10,086	3,231	4,521	138	2,196
Buckingham	10,293	6,160,148	3,231	1,059	12,377,357	4,290	2,094	821	63	1,312
Campbell	44,529	26,470,415	11,689	6,878	66,802,699	18,567	8,008	3,482	237	6,840
Caroline	18,078	10,789,510	5,104	2,657	27,085,051	7,761	4,080	1,207	126	2,348
Carroll	22,860	13,634,008	7,188	2,309	25,143,796	9,497	3,586	1,830	218	3,863
Charles City	6,200	3,707,604	1,979	881	10,200,764	2,860	1,650	425	69	716
Charlotte	10,276	6,139,151	3,204	1,001	11,587,970	4,205	1,917	873	63	1,352
Chesterfield	181,028	106,754,351	29,488	43,972	461,477,939	73,460	31,228	13,664	1,019	27,549
Clarke	10,234	6,072,211	2,658	1,767	21,285,895	4,425	2,127	859	81	1,358
Craig	3,943	2,348,254	1,107	524	5,091,829	1,631	639	404	16	572
Culpeper	24,017	14,233,426	6,296	3,690	39,578,214	9,986	4,775	1,887	186	3,138
Cumberland	6,876	4,108,798	2,058	775	8,592,160	2,833	1,369	655	53	756
Dickenson	14,098	8,420,261	3,760	1,429	14,091,924	5,189	1,598	2,298	74	1,219
Dinwiddie	18,973	11,320,385	5,034	3,048	29,159,572	8,082	3,924	1,357	137	2,664
Essex	8,716	5,203,025	2,558	1,171	13,646,097	3,729	1,934	585	60	1,150
Fairfax	691,660	405,531,915	116,355	192,950	2,575,558,294	309,305	155,722	58,960	11,467	83,156
Fauquier	43,264	25,534,411	8,999	8,903	131,549,481	17,902	7,939	3,347	446	6,173
Floyd	10,543	6,289,085	3,064	1,269	12,652,850	4,333	1,705	937	60	1,631
Fluvanna	10,095	6,005,125	2,560	1,603	15,862,528	4,163	1,871	850	73	1,369
Franklin	36,310	21,673,837	10,533	4,747	51,073,290	15,280	6,464	2,543	396	5,877
Frederick	39,476	23,328,509	10,003	6,533	65,385,130	16,536	7,168	3,419	257	5,692
Giles	16,081	9,594,438	4,647	2,030	21,383,056	6,677	2,863	1,356	82	2,376
Gloucester	25,724	15,324,831	5,436	5,134	50,466,069	10,570	4,310	2,322	371	3,567
Goochland	11,879	7,090,140	2,951	2,240	29,241,264	5,191	2,449	839	67	1,836
Grayson	14,211	8,487,923	4,717	1,228	15,068,100	5,945	2,275	1,319	190	2,161
Greene	8,603	5,117,006	2,253	1,341	13,054,379	3,594	1,560	665	44	1,325
Greensville	10,213	6,106,044	2,917	1,296	12,767,726	4,213	2,102	624	282	1,205
Halifax	26,044	15,565,145	7,843	2,785	30,770,356	10,628	4,745	1,788	224	3,871
Hanover	56,823	33,898,950	11,911	12,063	125,388,971	23,974	10,525	4,166	292	8,991
Henrico	181,153	107,691,365	39,647	40,798	437,796,265	80,445	41,174	12,604	987	25,680
Henry	59,661	35,601,825	17,786	8,696	86,231,933	26,482	12,519	3,372	1,224	9,367
Highland	2,502	1,490,073	769	239	3,001,669	1,008	395	253	18	342
Isle of Wight	24,046	14,361,920	5,627	4,374	41,931,074	10,001	4,487	1,877	723	2,914
James City	29,040	17,041,151	6,515	6,087	84,840,984	12,602	6,269	1,945	306	4,082
King George	11,444	6,764,501	2,715	2,077	19,684,207	4,792	2,306	832	161	1,493
King & Queen	5,935	3,552,892	1,764	802	8,552,632	2,566	1,319	462	56	729
King William	9,612	5,741,002	2,362	1,665	16,561,879	4,027	1,927	608	61	1,371
Lancaster	10,944	6,509,837	2,710	1,748	20,949,859	4,458	2,014	860	106	1,478
Lee	18,649	11,106,649	5,290	1,816	22,181,405	7,106	2,509	2,510	148	1,939
Loudoun	72,208	42,506,466	12,758	17,884	230,512,556	30,642	14,077	5,739	572	10,254
Louisa	17,302	10,322,188	5,035	2,334	24,664,134	7,369	3,523	1,498	184	2,164
Lunenburg	10,569	6,305,363	3,278	1,006	12,134,569	4,284	1,948	793	96	1,447
Madison	9,737	5,802,990	2,859	1,184	13,730,610	4,043	1,779	808	73	1,383
Mathews	8,266	4,925,336	2,034	1,355	14,536,354	3,389	1,416	695	62	1,216
Mecklenburg	27,988	16,685,670	8,487	3,131	37,247,482	11,618	5,380	2,009	572	3,657
Middlesex	8,275	4,945,947	2,166	1,294	13,537,816	3,460	1,529	687	76	1,168
Montgomery	52,478	30,865,519	15,397	8,655	91,776,154	24,052	12,023	4,169	443	7,417
Nelson	10,778	6,431,590	3,200	1,339	15,492,160	4,539	2,121	893	61	1,464
New Kent	9,354	5,576,498	1,999	1,929	18,881,412	3,928	1,664	755	75	1,434
Northampton	12,380	7,379,145	4,103	1,037	14,555,901	5,140	2,787	831	149	1,373
Northumberland	9,931	5,922,452	2,687	1,334	14,571,612	4,021	1,771	827	76	1,347
Nottoway	12,614	7,539,176	3,659	1,615	16,148,121	5,274	2,576	971	81	1,646
Orange	19,911	11,833,769	5,319	3,012	32,932,617	8,331	3,905	1,558	147	2,721
Page	19,580	11,662,059	6,105	2,207	24,492,000	8,312	3,766	1,668	131	2,747
Patrick	15,942	9,519,627	4,786	1,952	19,288,359	6,738	2,602	1,071	342	2,723
Pittsylvania	60,529	36,176,738	17,587	7,561	77,998,370	25,148	11,024	4,763	539	8,822
Powhatan	11,531	6,885,338	2,500	2,273	22,563,495	4,773	1,988	1,024	77	1,684
Prince Edward	12,744	7,591,709	3,788	1,555	17,508,441	5,343	2,745	879	119	1,600
Prince George	18,096	10,743,395	4,035	3,629	34,344,338	7,664	3,314	1,357	520	2,473
Prince William	164,716	96,743,339	29,910	40,235	478,300,658	70,145	31,813	14,063	3,897	20,372
Pulaski	31,782	18,962,860	8,978	4,350	43,402,038	13,328	5,902	2,346	167	4,913
Rappahannock	5,898	3,508,705	1,560	942	11,331,827	2,502	1,136	508	48	810

Table 1.8, continued

Total Virginia Adjusted Gross Income, Total Exemptions, Total Deductions, and Number of Returns, by Locality—Taxable Year 1986

	Exemptions		Deductions			Number of Returns				
Counties	Number of Exemptions	Amount of Exemptions	Number of Returns Standard	Number of Returns Itemized	Total Amount	Total Returns	Individual Returns	Joint Returns Married	Separate Returns Married	Combined Returns Married
Richmond	8,608	$5,151,548	2,961	1,085	$13,336,117	4,046	2,415	660	62	909
Roanoke	76,000	45,177,278	15,866	16,504	167,402,363	32,370	14,304	5,801	364	11,901
Rockbridge	16,522	9,847,273	4,829	2,123	22,139,945	6,952	2,960	1,483	114	2,395
Rockingham	54,669	32,568,212	16,003	6,850	77,002,509	22,853	9,752	4,114	337	8,650
Russell	24,370	14,575,651	6,817	2,509	25,879,667	9,326	3,085	3,436	113	2,692
Scott	19,316	11,531,930	5,911	1,746	19,932,407	7,657	2,577	2,524	388	2,168
Shenandoah	28,710	17,073,342	8,591	3,786	41,550,115	12,377	5,713	2,298	169	4,197
Smyth	29,103	17,376,762	9,064	2,797	32,566,909	11,861	4,681	2,588	165	4,427
Southampton	15,440	9,229,440	4,030	2,281	22,643,894	6,311	2,851	1,127	220	2,113
Spotsylvania	42,027	24,922,447	8,195	8,615	87,282,565	16,810	7,066	3,759	364	5,621
Stafford	45,127	26,663,174	8,544	9,829	105,068,868	18,373	7,634	3,409	759	6,571
Surry	6,209	3,700,583	1,692	898	9,113,514	2,590	1,311	467	117	695
Sussex	9,827	5,884,570	3,006	1,210	13,957,362	4,216	2,312	663	82	1,159
Tazewell	40,973	24,330,819	10,718	5,104	54,568,377	15,822	5,667	5,138	206	4,811
Warren	23,519	13,952,571	6,272	3,705	36,830,054	9,977	4,650	1,957	143	3,227
Washington	40,610	24,123,682	11,532	5,205	54,700,993	16,737	6,364	4,179	784	5,410
Westmoreland	14,786	8,809,741	4,036	2,131	21,863,422	6,167	3,127	1,175	123	1,742
Wise	36,376	21,662,016	9,332	4,448	43,965,790	13,780	4,883	4,723	347	3,827
Wythe	23,634	14,085,725	7,250	2,597	31,631,976	9,847	4,205	2,034	144	3,464
York	32,922	19,430,763	7,176	7,071	73,414,186	14,247	6,451	2,289	902	4,605
Total Counties	3,406,506	$2,016,442,141	788,274	673,817	$7,854,593,672	1,462,091	686,126	280,373	39,244	456,348

	Exemptions		Deductions			Number of Returns				
Cities	Number of Exemptions	Amount of Exemptions	Number of Returns Standard	Number of Returns Itemized	Total Amount	Total Returns	Individual Returns	Joint Returns Married	Separate Returns Married	Combined Returns Married
Alexandria	124,412	$72,468,589	32,394	33,541	$405,333,104	65,935	44,318	8,315	2,248	11,054
Bedford	5,335	3,182,277	1,684	655	7,095,399	2,339	1,260	297	31	751
Bristol	29,053	17,228,353	8,892	5,004	45,094,627	13,896	5,335	1,647	4,552	2,362
Buena Vista	5,887	3,510,482	1,760	706	7,329,180	2,466	1,120	467	26	853
Charlottesville	34,970	20,497,398	11,404	5,894	69,716,346	17,298	10,799	1,957	422	4,120
Chesapeake	129,493	76,813,094	27,193	26,742	276,217,967	53,935	24,180	9,382	3,117	17,256
Clifton Forge	4,776	2,828,974	1,397	614	6,237,280	2,011	989	471	29	522
Colonial Heights	16,978	10,048,444	3,774	3,618	32,772,908	7,392	3,462	1,432	153	2,345
Covington	7,604	4,524,438	2,354	873	8,786,835	3,227	1,552	716	56	903
Danville	45,194	26,913,547	13,317	6,821	72,918,493	20,138	9,972	2,577	2,147	5,442
Emporia	4,384	2,608,307	1,284	601	6,414,379	1,885	1,011	261	164	449
Fairfax	12,707	7,463,333	2,740	3,286	36,914,212	6,026	3,297	849	149	1,731
Falls Church	22,012	12,762,551	5,392	5,119	61,565,587	10,511	6,380	1,456	337	2,338
Franklin	6,214	3,698,842	1,699	978	11,052,280	2,677	1,443	388	84	762
Fredericksburg	17,649	10,324,458	5,383	3,065	35,280,334	8,448	5,068	1,095	252	2,033
Galax	7,287	4,333,656	2,390	855	10,322,529	3,245	1,468	493	276	1,008
Hampton	108,077	64,051,666	27,467	22,006	213,315,565	49,473	25,335	8,132	3,314	12,692
Harrisonburg	20,481	12,026,884	6,490	3,109	36,794,651	9,599	5,288	1,163	178	2,970
Hopewell	21,663	12,892,262	6,011	3,413	32,521,419	9,424	4,774	1,632	322	2,696
Lexington	4,292	2,529,684	1,129	746	8,016,000	1,875	971	273	36	595
Lynchburg	60,128	35,458,504	16,281	10,020	111,501,692	26,301	14,155	4,011	515	7,620
Manassas	22,692	13,330,793	4,395	5,308	63,595,324	9,703	4,784	1,958	252	2,709
Manassas Park	5,070	3,016,212	1,113	1,055	10,214,849	2,168	1,083	375	37	673
Martinsville	18,666	11,116,978	5,794	2,813	36,334,790	8,607	4,894	1,032	586	2,095
Newport News	135,375	79,951,541	35,414	25,906	266,044,547	61,320	31,948	9,181	4,438	15,753
Norfolk	184,861	109,719,404	55,396	30,411	366,024,458	85,807	49,425	13,108	6,901	16,373
Norton	3,972	2,339,599	1,084	488	7,037,057	1,572	681	463	42	386
Petersburg	35,255	21,019,394	10,966	5,192	56,775,583	16,158	10,331	2,111	564	3,152
Poquoson	10,007	5,922,321	1,832	2,317	23,645,903	4,149	1,681	743	210	1,515
Portsmouth	97,166	57,843,762	25,168	16,678	167,603,467	41,846	22,486	6,569	2,256	10,535
Radford	9,639	5,708,791	2,708	1,542	16,012,235	4,250	2,156	572	69	1,453
Richmond	200,986	119,456,923	62,696	35,921	497,437,301	98,617	66,517	11,380	2,342	18,378
Roanoke	92,751	55,246,513	27,713	15,200	166,031,629	42,913	24,632	6,670	788	10,823
Salem	21,561	12,823,570	5,544	4,044	39,872,271	9,588	4,710	1,440	141	3,297
South Boston	6,475	3,855,795	1,816	890	9,394,376	2,706	1,404	346	49	907
Staunton	21,586	12,833,738	6,197	3,450	35,178,603	9,647	4,873	1,414	192	3,168
Suffolk	47,612	28,427,304	12,172	7,881	84,355,358	20,053	10,068	3,136	896	5,953
Virginia Beach	276,648	162,027,743	60,280	66,837	727,913,767	127,117	59,510	20,419	13,752	33,436
Waynesboro	18,824	11,192,758	5,264	2,905	33,025,130	8,169	4,021	1,417	127	2,604
Williamsburg	7,973	4,598,910	2,388	1,526	17,234,386	3,914	2,360	444	129	981
Winchester	21,025	12,373,926	6,592	3,095	37,999,345	9,687	5,406	1,393	231	2,657
Total Cities	1,926,740	$1,138,971,718	514,967	371,125	$4,156,931,166	886,092	485,147	131,185	52,410	217,350
Unassigned to Localities	142,602	$71,566,388	31,898	34,737	$399,492,579	66,635	30,032	14,864	11,498	10,221
Aggregate	5,475,848	$3,226,980,247	1,335,139	1,079,679	$12,611,017,417	2,414,818	1,201,325	426,422	103,152	683,919

Table 1.9

Total Net Taxable Income, Total Income Tax Paid and Total Amount Taxed at Each Tax Rate, by Locality—Taxable Year 1986

Counties	Total Net Taxable Income	Taxed at the 2% Rate	Taxed at the 3% Rate	Taxed at the 5% Rate	Taxed at the 5.75% Rate	Total Income Tax	Income Tax at the 2% Rate	Income Tax at the 3% Rate	Income Tax at the 5% Rate	Income Tax at the 5.75% Rate
Accomack	$166,572,745	$41,116,337	$22,532,512	$49,946,363	$52,977,533	$7,037,318	$817,617	$675,982	$2,497,471	$3,046,248
Albemarle	538,468,094	80,899,113	48,503,590	134,398,784	274,666,607	25,576,892	1,608,893	1,455,106	6,720,156	15,792,737
Alleghany	90,155,381	17,762,468	10,138,269	26,166,859	36,087,785	4,040,863	353,219	304,165	1,308,401	2,075,078
Amelia	47,509,383	11,171,472	6,404,939	15,798,473	14,134,499	2,016,950	222,094	192,158	789,951	812,747
Amherst	175,188,122	38,652,080	22,544,658	57,581,566	56,409,818	7,568,840	769,700	676,340	2,879,184	3,243,616
Appomattox	74,251,897	17,027,556	9,778,652	24,026,666	23,419,023	3,180,139	338,795	293,354	1,201,371	1,346,619
Arlington	2,120,154,215	267,480,481	164,279,713	488,396,655	1,199,997,366	103,667,414	5,320,760	4,928,431	24,419,981	68,998,242
Augusta	344,904,673	76,034,829	44,407,387	114,166,569	110,295,888	14,896,894	1,514,028	1,332,214	5,708,602	6,342,050
Bath	34,684,774	8,108,094	4,671,266	10,876,319	11,029,095	1,479,374	161,205	140,143	543,853	634,173
Bedford	296,312,085	61,628,658	35,795,344	92,125,868	106,762,215	13,045,797	1,227,171	1,073,798	4,606,496	6,138,332
Bland	29,673,532	7,366,792	4,170,109	10,262,161	7,874,470	1,237,449	146,409	125,104	513,141	452,795
Botetourt	174,392,235	35,451,291	20,755,664	54,097,309	64,087,971	7,718,190	705,441	622,669	2,704,969	3,685,111
Brunswick	81,530,776	17,730,178	9,896,081	21,663,577	32,240,940	3,586,387	352,390	296,892	1,083,255	1,853,850
Buchanan	178,862,276	31,065,897	17,410,413	45,592,123	84,793,843	8,295,556	617,858	522,334	2,279,691	4,875,673
Buckingham	55,476,052	14,392,234	8,077,396	18,051,694	14,954,728	2,290,735	286,233	242,313	902,296	859,893
Campbell	310,799,291	67,521,405	39,329,028	101,177,958	102,770,900	13,492,596	1,344,258	1,179,883	5,059,082	5,909,373
Caroline	120,915,664	26,405,545	15,190,888	38,060,647	41,258,584	5,256,200	524,933	455,734	1,903,127	2,372,406
Carroll	122,883,626	35,031,474	19,967,738	44,668,908	23,215,506	4,865,069	697,495	599,038	2,233,615	1,334,921
Charles City	43,873,707	9,329,923	5,406,368	13,940,593	15,196,823	1,918,646	185,559	162,198	697,075	873,814
Charlotte	53,874,949	14,266,826	7,969,802	17,796,072	13,842,249	2,208,891	284,003	239,097	889,856	795,935
Chesterfield	1,728,186,849	274,616,059	166,325,136	483,615,931	803,629,723	80,843,969	5,464,060	4,989,819	24,181,450	46,208,640
Clarke	83,829,600	15,297,043	8,929,076	23,467,222	36,136,259	3,823,443	304,307	267,880	1,173,395	2,077,861
Craig	24,717,236	5,828,200	3,413,304	8,629,579	6,846,153	1,043,603	116,040	102,393	431,505	393,665
Culpeper	169,083,408	34,377,654	19,803,450	51,613,082	63,289,222	7,497,410	683,417	594,044	2,580,770	3,639,179
Cumberland	35,495,840	9,093,722	5,046,927	11,361,443	9,993,748	1,473,683	179,520	151,413	568,121	574,629
Dickensen	82,026,141	15,989,936	8,830,717	22,167,381	35,038,107	3,706,150	318,076	264,935	1,108,422	2,014,717
Dinwiddie	130,093,800	28,250,066	16,355,442	40,955,356	44,532,936	5,660,426	561,747	490,666	2,047,866	2,560,147
Essex	55,906,859	12,633,088	7,216,432	17,246,088	18,811,251	2,411,675	251,162	216,500	862,343	1,081,670
Fairfax	9,784,770,189	1,070,887,392	651,805,206	1,963,011,533	5,099,066,058	432,179,663	21,279,295	19,554,147	98,151,418	293,194,803
Fauquier	464,264,420	64,720,002	38,515,574	107,215,015	253,813,829	22,399,825	1,289,044	1,155,497	5,360,945	14,594,339
Floyd	60,977,365	15,565,313	8,824,362	21,512,190	15,075,500	2,517,157	309,884	264,740	1,075,670	866,863
Fluvanna	66,712,101	14,607,208	8,562,538	22,123,828	21,418,527	2,885,443	290,721	256,867	1,106,250	1,231,605
Franklin	244,311,114	55,977,221	32,491,354	79,478,080	76,364,459	10,454,668	1,114,800	974,740	3,974,123	4,391,005
Frederick	293,554,678	58,902,539	34,232,995	90,093,476	110,325,668	13,047,091	1,171,957	1,027,001	4,504,829	6,343,304
Giles	101,805,188	23,656,284	13,515,396	34,961,861	29,671,647	4,330,576	470,802	405,456	1,748,162	1,706,156
Gloucester	192,245,743	36,847,663	21,253,978	56,575,405	77,568,697	8,660,032	733,290	637,569	2,828,895	4,460,278
Goochland	129,986,083	18,658,884	11,120,414	29,876,297	70,340,488	6,243,201	371,141	333,597	1,493,878	4,044,585
Grayson	72,399,259	21,108,195	11,873,404	24,783,622	14,634,038	2,857,162	420,215	356,210	1,239,277	841,460
Greene	59,797,440	13,309,812	7,960,410	21,136,049	17,391,169	2,560,830	265,134	238,816	1,056,851	1,000,029
Greensville	54,213,794	13,761,744	7,684,536	18,289,522	14,477,992	2,251,027	273,449	230,539	914,530	832,509
Halifax	144,587,740	37,786,730	21,527,013	50,901,442	34,372,555	5,919,756	752,228	645,817	2,545,234	1,976,477
Hanover	522,801,093	89,094,872	53,204,737	149,332,769	231,168,715	24,128,246	1,773,423	1,596,139	7,466,385	13,292,299
Henrico	1,800,671,358	287,690,190	173,401,882	493,702,626	845,876,660	84,251,356	5,725,289	5,202,064	24,685,557	48,638,446
Henry	403,263,721	96,014,497	56,178,791	138,330,820	112,739,613	16,995,168	1,910,303	1,685,341	6,916,919	6,482,605
Highland	15,024,851	3,549,883	1,959,011	4,354,813	5,161,144	644,051	70,750	58,773	217,752	296,776
Isle of Wight	177,199,201	34,283,614	20,032,731	54,659,534	68,223,322	7,939,036	682,661	600,979	2,733,073	3,922,323
James City	259,474,482	44,077,607	25,818,266	69,126,147	120,452,462	12,033,342	876,266	774,538	3,456,417	6,926,121
King George	93,663,263	16,712,607	9,845,767	26,687,322	40,417,567	4,286,188	332,365	295,378	1,334,409	2,324,036
King & Queen	36,040,732	8,415,741	4,777,946	11,426,814	11,420,231	1,538,482	167,090	143,347	571,375	656,670
King William	73,632,371	14,357,760	8,329,936	21,699,944	29,244,731	3,302,196	285,669	249,896	1,085,048	1,681,583
Lancaster	85,337,514	15,168,288	8,421,632	19,947,729	41,799,865	3,955,027	301,810	252,511	997,227	2,403,479
Lee	91,969,557	22,220,536	12,015,714	27,547,899	30,185,408	3,915,967	442,345	360,480	1,377,460	1,735,682
Loudoun	809,832,359	111,656,788	68,087,257	201,303,511	428,784,803	38,984,548	2,221,289	2,042,621	10,065,258	24,655,380
Louisa	111,948,398	24,984,821	14,418,137	35,806,774	36,738,666	4,832,411	496,934	432,548	1,790,420	2,112,509
Lunenburg	52,220,880	14,484,641	7,968,019	17,111,143	12,657,077	2,110,883	288,424	239,053	855,608	727,798
Madison	63,787,063	14,324,787	8,153,496	20,413,420	20,895,360	2,751,937	285,117	244,619	1,020,709	1,201,492
Mathews	61,169,481	11,911,587	6,682,750	16,831,895	25,743,249	2,759,690	237,339	200,484	841,626	1,480,241
Mecklenburg	159,401,516	39,760,811	22,243,432	50,158,051	47,239,222	6,682,820	791,291	667,201	2,508,044	2,716,284
Middlesex	56,284,724	11,757,780	6,571,268	15,709,074	22,246,602	2,495,315	233,865	197,055	785,175	1,279,220
Montgomery	380,810,182	80,248,154	45,589,519	115,964,986	139,007,523	16,747,988	1,588,731	1,367,694	5,798,557	7,993,006
Nelson	67,946,110	15,747,851	9,033,686	22,001,642	21,162,931	2,901,650	313,578	271,010	1,100,151	1,216,911
New Kent	76,410,083	14,320,484	8,554,643	23,578,125	29,956,831	3,443,298	285,155	256,655	1,178,944	1,722,544
Northampton	61,740,964	16,032,085	8,577,908	18,175,232	18,955,739	2,574,587	318,603	257,344	908,663	1,089,977
Northumberland	62,266,846	13,507,382	7,419,699	17,274,850	24,064,915	2,739,085	268,988	222,591	863,762	1,383,744
Nottoway	75,267,555	17,731,231	9,962,936	23,560,870	24,012,518	3,210,342	352,583	298,882	1,178,126	1,380,751
Orange	143,038,743	29,224,266	16,936,656	42,973,206	53,904,615	6,337,795	581,371	508,115	2,148,773	3,099,536
Page	118,730,560	28,523,442	16,091,143	38,084,487	36,031,488	5,026,286	567,422	482,706	1,904,296	2,071,862
Patrick	95,623,462	25,284,936	14,634,208	35,368,821	20,335,497	3,879,962	503,126	439,021	1,768,502	1,169,313
Pittsylvania	362,504,174	89,747,943	51,693,467	124,836,936	96,225,828	15,113,477	1,787,335	1,550,821	6,242,235	5,533,086
Powhatan	94,785,830	17,286,018	10,278,516	28,231,620	38,989,676	4,305,913	343,983	308,352	1,411,629	2,241,949
Prince Edward	72,814,204	17,731,997	9,908,260	22,725,690	22,448,257	3,077,089	352,684	297,251	1,136,364	1,290,790
Prince George	142,481,285	26,986,958	15,904,687	42,832,094	56,757,546	6,419,465	537,055	477,154	2,141,677	3,263,579
Prince William	1,553,495,970	243,011,790	146,668,533	430,016,307	733,799,340	72,922,216	4,826,973	4,400,089	21,501,404	42,193,750
Pulaski	201,723,310	47,792,554	27,487,242	68,598,217	57,845,297	8,531,648	950,848	824,620	3,430,056	3,326,124
Rappahannock	47,394,431	8,718,830	5,050,890	12,998,139	20,626,572	2,161,031	173,525	151,526	649,940	1,186,040

Table 1.9, continued

Total Net Taxable Income, Total Income Tax Paid and Total Amount Taxed at Each Tax Rate, by Locality—Taxable Year 1986

Counties	Total Net Taxable Income	Taxed at the 2% Rate	Taxed at the 3% Rate	Taxed at the 5% Rate	Taxed at the 5.75% Rate	Total Income Tax	Income Tax at the 2% Rate	Income Tax at the 3% Rate	Income Tax at the 5% Rate	Income Tax at the 5.75% Rate
Richmond	$54,031,971	$12,518,135	$6,954,542	$16,859,732	$17,699,562	$2,317,791	$248,377	$208,643	$843,019	$1,017,752
Roanoke	671,155,315	116,699,015	68,839,821	187,816,975	297,799,504	30,900,357	2,320,357	2,065,222	9,391,119	17,123,659
Rockbridge	105,612,851	24,527,924	13,992,904	34,409,284	32,682,739	4,507,648	488,054	419,772	1,720,539	1,879,283
Rockingham	376,036,757	84,263,622	49,260,830	123,129,269	119,383,036	16,176,453	1,678,791	1,477,750	6,156,795	6,863,117
Russell	146,134,871	31,004,837	17,273,234	42,661,406	55,195,394	6,441,993	617,501	518,206	2,133,177	3,173,109
Scott	115,703,115	25,759,894	14,516,948	36,747,094	38,679,179	5,009,948	513,025	435,436	1,837,415	2,224,072
Shenandoah	188,208,443	43,457,775	24,967,277	61,346,880	58,436,511	8,041,207	864,482	749,037	3,067,526	3,360,162
Smyth	169,940,966	42,347,026	24,103,544	57,587,280	45,903,116	7,084,890	842,778	723,116	2,879,559	2,639,437
Southampton	103,283,282	21,939,716	12,444,629	31,516,082	37,382,855	4,535,891	437,151	373,336	1,575,873	2,149,531
Spotsylvania	325,596,741	59,685,592	35,510,166	98,550,474	131,850,509	14,761,351	1,186,898	1,065,288	4,927,674	7,581,491
Stafford	378,424,713	66,411,790	39,370,501	110,046,793	162,595,629	17,354,018	1,320,999	1,181,134	5,502,516	9,349,369
Surry	47,431,776	8,318,296	4,733,837	12,054,037	22,325,606	2,193,886	165,386	142,023	602,736	1,283,741
Sussex	59,569,958	13,702,570	7,694,163	18,494,441	19,678,784	2,559,655	272,510	230,837	924,769	1,131,539
Tazewell	270,575,194	53,107,061	29,808,669	74,288,695	113,370,769	12,185,130	1,057,819	894,248	3,714,655	6,518,408
Warren	160,010,757	34,803,480	20,092,088	51,468,836	53,646,353	6,953,431	692,391	602,772	2,573,532	3,084,736
Washington	256,445,467	57,539,416	32,492,499	77,995,916	88,417,636	11,103,791	1,144,996	974,716	3,899,997	5,084,082
Westmoreland	86,418,090	20,006,985	11,117,157	26,545,941	28,748,007	3,711,538	397,706	333,454	1,327,344	1,653,034
Wise	234,331,937	44,508,229	24,752,247	63,757,059	101,314,402	10,640,920	885,080	742,505	3,187,700	5,825,635
Wythe	133,668,349	34,118,998	19,056,775	44,051,865	36,440,711	5,548,445	678,620	571,685	2,202,765	2,095,375
York	286,338,667	49,072,482	28,533,235	78,274,605	130,458,345	13,246,140	974,842	856,018	3,913,874	7,501,406
Total Counties	**$30,639,133,817**	**$5,116,472,982**	**$3,019,935,312**	**$8,246,783,737**	**$14,255,941,786**	**$1,424,419,968**	**$101,760,303**	**$90,597,655**	**$412,349,632**	**$819,712,378**

Cities	Total Net Taxable Income	Taxed at the 2% Rate	Taxed at the 3% Rate	Taxed at the 5% Rate	Taxed at the 5.75% Rate	Total Income Tax	Income Tax at the 2% Rate	Income Tax at the 3% Rate	Income Tax at the 5% Rate	Income Tax at the 5.75% Rate
Alexandria	$1,569,455,120	$211,847,252	$129,422,197	$379,754,360	$848,431,311	$75,864,743	$4,210,248	$3,882,729	$18,988,079	$48,783,687
Bedford	33,921,385	7,981,471	4,495,198	11,094,980	10,349,736	1,443,783	159,026	134,862	554,773	595,122
Bristol	178,274,733	41,651,163	23,190,890	55,316,867	58,115,813	7,632,050	828,597	695,736	2,766,004	3,341,713
Buena Vista	39,489,708	8,590,486	4,890,124	12,432,440	13,576,658	1,720,077	171,051	146,712	621,656	780,658
Charlottesville	297,800,863	55,230,099	31,733,232	81,003,953	129,833,579	13,563,779	1,096,042	951,891	4,050,406	7,465,440
Chesapeake	953,186,117	188,718,394	110,937,260	298,265,666	355,264,797	42,425,271	3,755,384	3,328,157	14,913,774	20,427,956
Clifton Forge	31,644,907	6,235,537	3,471,091	8,672,832	13,265,447	1,424,721	124,147	104,134	433,651	762,789
Colonial Heights	145,172,709	25,931,680	15,280,544	41,712,201	62,248,284	6,638,805	515,410	458,415	2,085,657	3,579,323
Covington	46,682,021	10,309,722	5,658,931	13,745,782	16,967,586	2,037,550	204,812	169,775	687,318	975,645
Danville	302,447,164	65,552,910	37,045,070	90,858,805	108,990,379	13,225,419	1,303,831	1,111,370	4,543,200	6,267,018
Emporia	24,826,194	5,963,927	3,283,080	7,681,899	7,897,288	1,055,211	118,512	98,490	384,113	454,096
Fairfax	148,766,896	21,080,938	12,685,656	37,003,278	77,997,024	7,134,499	418,890	380,575	1,850,193	4,484,841
Falls Church	230,033,646	34,552,185	20,532,692	57,038,641	117,910,128	10,933,976	686,080	615,993	2,852,015	6,779,888
Franklin	45,941,847	8,822,316	4,982,763	12,663,596	19,473,172	2,077,958	175,536	149,484	633,208	1,119,730
Fredericksburg	153,808,398	27,263,840	15,718,844	41,550,308	69,275,406	7,073,848	541,287	471,583	2,077,606	3,983,372
Galax	41,861,515	10,918,326	6,133,094	12,896,535	11,913,560	1,730,865	216,964	184,000	644,869	685,032
Hampton	812,323,678	162,876,709	94,584,688	252,059,708	302,802,573	36,088,977	3,237,142	2,837,457	12,603,044	17,411,334
Harrisonburg	165,009,585	33,033,483	18,810,414	47,579,826	65,585,862	7,370,717	656,081	564,333	2,379,093	3,771,210
Hopewell	152,187,426	31,678,226	18,183,010	47,087,858	55,238,332	6,706,213	629,974	545,498	2,354,501	3,176,240
Lexington	34,302,738	6,508,258	3,738,884	9,439,423	14,616,173	1,554,277	129,679	112,171	471,989	840,438
Lynchburg	459,703,662	87,997,437	50,006,972	126,422,695	195,276,558	20,799,164	1,748,998	1,500,208	6,321,432	11,228,526
Manassas	215,155,962	33,641,416	20,398,948	59,689,662	101,425,936	10,097,233	668,621	611,967	2,984,589	5,832,056
Manassas Park	36,560,692	7,701,959	4,634,229	12,815,281	11,409,223	1,589,131	153,295	139,020	640,791	656,025
Martinsville	160,586,293	27,571,293	15,730,405	38,411,815	78,872,780	7,475,803	547,994	471,909	1,920,715	4,535,185
Newport News	1,040,463,671	201,769,293	117,054,293	311,818,269	409,821,816	46,678,757	4,011,306	3,511,683	15,591,422	23,564,346
Norfolk	1,308,012,111	265,267,117	150,511,224	374,155,704	518,078,066	58,287,569	5,274,237	4,515,421	18,708,207	29,789,704
Norton	28,222,587	4,905,055	2,765,235	7,088,894	13,463,403	1,308,988	97,412	82,960	354,459	774,157
Petersburg	227,244,115	48,383,758	27,243,684	65,637,924	85,978,749	10,004,168	961,082	817,307	3,281,948	4,943,831
Poquoson	85,485,994	14,800,609	8,651,759	24,329,822	37,703,804	3,937,651	293,578	259,556	1,216,523	2,167,994
Portsmouth	636,950,030	137,306,179	79,105,862	202,065,609	218,472,380	27,771,901	2,733,058	2,373,207	10,103,269	12,562,367
Radford	73,235,518	14,859,438	8,502,095	22,638,978	27,235,007	3,248,367	295,311	255,055	1,131,982	1,566,009
Richmond	1,701,242,693	307,140,562	178,598,101	461,982,286	753,521,744	77,889,569	6,103,753	5,357,978	23,099,900	43,327,938
Roanoke	669,189,816	138,572,255	79,021,587	194,187,312	257,408,662	29,635,449	2,753,820	2,370,655	9,709,806	14,801,168
Salem	171,544,181	34,031,960	19,773,057	51,549,320	66,189,844	7,653,460	676,773	593,198	2,577,527	3,805,962
South Boston	43,875,955	9,431,868	5,412,074	13,181,434	15,850,579	1,920,694	187,786	162,361	659,129	911,418
Staunton	159,266,677	33,565,545	19,353,741	48,669,090	57,678,301	6,998,231	667,666	580,637	2,433,417	3,316,511
Suffolk	330,300,607	67,769,933	39,167,448	101,692,952	121,670,274	14,604,205	1,348,191	1,175,010	5,084,901	6,996,103
Virginia Beach	2,390,277,153	420,118,486	243,726,959	651,018,948	1,075,412,760	110,043,528	8,344,400	7,311,816	32,551,753	61,835,559
Waynesboro	139,599,386	28,370,198	16,276,240	41,210,073	53,742,875	6,203,073	563,981	488,285	2,060,572	3,090,235
Williamsburg	72,703,362	12,744,140	7,259,799	18,616,278	34,083,145	3,360,913	252,480	217,786	930,851	1,959,796
Winchester	169,529,182	32,189,259	18,324,339	46,787,450	72,228,134	7,682,083	639,710	549,733	2,339,481	4,153,159
Total Cities	**$15,526,286,297**	**$2,892,884,682**	**$1,676,295,713**	**$4,391,828,754**	**$6,565,277,148**	**$704,892,676**	**$57,502,145**	**$50,289,127**	**$219,597,823**	**$377,503,581**
Unassigned to Localities	**$1,338,147,740**	**$194,047,173**	**$107,346,671**	**$270,207,894**	**$766,546,002**	**$64,629,254**	**$3,821,493**	**$3,220,415**	**$13,510,713**	**$44,076,633**
Aggregate	**$47,503,567,854**	**$8,203,404,837**	**$4,803,577,696**	**$12,908,820,385**	**$21,587,764,936**	**$2,193,941,898**	**$163,083,941**	**$144,107,197**	**$645,458,168**	**$1,241,292,592**

Section 58.1-321 stipulates that no income tax is imposed, nor any return required to be filed by individuals with Virginia Adjusted Gross Income of less than $3,000. Consequently "Total Tax" will be significantly less than 2 percent of "Total Taxable Income" for the Income Classes $0-$2,999.

Table 2.1

Corporate Income Tax, Total Tax Assessed
Fiscal Years 1979-1988

Fiscal Years	Amount
1979	$164,264,300
1980	178,479,427
1981	219,508,071
1982	199,522,079
1983	184,381,371
1984	184,108,760
1985	231,833,829
1986	238,292,452
1987	261,945,995
1988	266,328,975

Figure 5

Corporate Income Tax
Total Tax Assessed — Fiscal Years 1979-1988

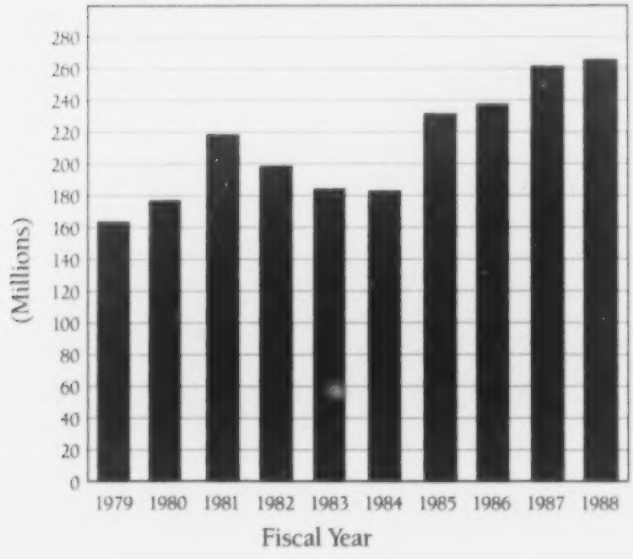


Table 2.2

Number of Corporate Returns, Taxable Income and Tax Assessed, Fiscal Year 1988

Corporations Reporting Taxable Income From Virginia Sources	Number of Corporate Returns	Percent of Total	Taxable* Income	Percent of Total	Tax** Assessed	Percent of Total
Up to $24,999	77,319	85.1%	$166,265,812	3.6%	$9,975,754	3.7%
$25,000 to $49,999	5,095	5.6	182,466,740	4.0	10,964,448	4.1
$50,000 to $99,999	3,882	4.3	271,761,282	5.9	16,302,681	6.1
$100,000 to $499,999	3,381	3.7	688,270,109	14.9	41,598,492	15.6
$500,000 to $999,999	531	0.6	377,897,082	8.2	22,673,825	8.5
$1,000,000 to $1,999,999	304	0.3	419,946,771	9.1	25,202,331	9.5
$2,000,000 to $9,999,999	270	0.3	1,103,379,228	23.9	66,202,754	24.9
$10,000,000 and over	50	0.1	1,261,765,833	27.4	75,705,950	28.4
Total Before Adjustments	**90,832**	**100.0%**	**$4,471,752,857**	**97.0%**	**$268,626,235**	**100.9%**
Departmental Adjustments	**(6,091)**	**—**	**139,193,548**	**3.0**	**(2,297,260)**	**-0.9**
Totals	**90,832**	**100.0%**	**$4,610,946,405**	**100.0%**	**$266,328,975**	**100.0%**

**The taxable income in this column is the total of the incomes on each corporate return rather than net taxable income in each bracket. For example, the 5,095 returns in the second bracket have $182,466,740 in Virginia taxable income but only $55,091,740 falls between $25,000 and $50,000 while the remaining $127,375,000 falls in the first bracket.*

***Includes penalty and interest.*

Figure 6

Number of Corporate Returns
Taxable Income and Tax Assessed — Fiscal Year 1988

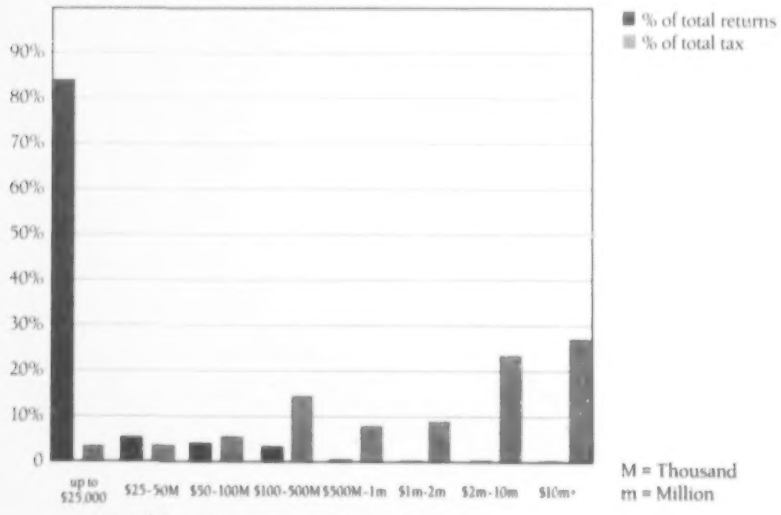


Table 2.3

Number of Corporate Returns, Taxable Income, and Tax Assessed
Fiscal Years 1978-1979 to 1987-1988

Corporations Reporting Income From Virginia Sources	1987-1988	1986-1987	1985-1986	1984-1985	1983-1984	1982-1983	1981-1982	1980-1981	1979-1980	1978-1979
					Number of Corporate Returns					
Up to $24,999	77,319	73,503	61,813	42,100	40,841	40,377	40,018	37,776	33,477	31,887
$25,000 to $49,999	5,095	5,194	4,283	4,216	3,544	3,404	3,552	3,446	3,489	3,087
$50,000 to $99,999	3,882	4,086	3,316	3,140	2,591	2,536	2,644	2,702	2,509	2,212
$100,000 to $499,999	3,381	3,643	2,814	2,831	2,314	2,109	2,346	2,358	2,294	2,014
$500,000 to $999,999	531	519	449	429	337	340	371	398	390	333
$1,000,000 to $1,999,999	304	306	251	224	173	190	222	210	202	177
$2,000,000 to $9,999,999	270	265	182	193	157	159	181	189	172	162
$10,000,000 and over	50	50	51	36	30	30	32	35	23	24
Total before adjustments	90,832	87,566	73,159	53,169	49,987	49,145	49,366	47,114	42,556	39,896
Departmental adjustments	(6,091)	(6,198)	(2,605)	(4,578)	(3,533)	(2,464)	(3,311)	(3,136)	(2,178)	(3,345)
Total	90,832	87,566	73,159	53,169	49,987	49,145	49,366	47,114	42,556	39,896
					Taxable Income					
Up to $24,999	$166,267,812	$168,631,201	$139,682,440	$137,590,587	$122,299,047	$119,338,546	$120,759,277	$117,286,616	$114,269,999	$105,670,031
$25,000 to $49,999	182,466,740	187,039,142	153,692,270	150,600,791	125,353,544	121,669,271	126,328,609	123,789,963	125,354,020	110,910,477
$50,000 to $99,999	271,761,282	287,087,762	232,575,393	219,908,852	181,546,132	177,920,074	184,464,980	189,147,959	174,376,899	150,381,286
$100,000 to $499,999	688,270,109	754,394,059	574,517,656	575,963,492	471,742,752	434,008,765	475,544,502	488,896,563	483,760,562	428,670,711
$500,000 to $999,999	377,897,082	363,525,323	318,853,693	306,193,833	239,105,279	242,993,916	258,909,072	276,753,954	270,706,111	231,995,918
$1,000,000 to $1,999,999	419,946,771	418,167,210	349,955,341	312,240,575	237,061,585	266,906,837	304,585,754	285,377,931	287,370,540	248,292,227
$2,000,000 to $9,999,999	1,103,379,228	1,020,364,889	780,859,556	821,531,981	608,655,984	648,883,483	739,608,557	758,748,812	695,432,935	648,628,914
$10,000,000 and over	1,261,765,833	1,167,164,093	1,411,013,950	1,024,496,355	909,363,894	878,450,767	901,249,468	918,610,845	665,095,801	800,750,191
Total before adjustments	$4,471,752,857	$4,366,373,679	$3,961,150,299	$3,548,526,466	$2,895,128,217	$2,890,171,659	$3,111,450,219	$3,158,612,643	$2,816,366,867	$2,725,299,755
Departmental adjustments	139,193,548	157,139,784	75,836,464	75,065,750	86,603,950	89,705,050	100,048,521	109,950,546	88,055,249	141,572,538
Total	$4,610,946,405	$4,523,513,463	$4,036,986,763	$3,623,592,216	$2,981,732,167	$2,979,876,709	$3,211,498,740	$3,268,563,189	$2,904,422,116	$2,866,872,293
					Tax Assessed					
Up to $24,999	$9,975,754	$10,120,293	$8,382,555	$11,004,178	$8,363,004	$11,130,051	$9,424,336	$26,555,443	$9,052,961	$6,993,458
$25,000 to $49,999	10,964,448	11,222,351	9,228,801	9,149,798	7,592,619	7,420,315	7,679,910	7,527,390	7,607,551	6,680,980
$50,000 to $99,999	16,302,681	17,236,400	13,956,387	13,406,810	11,011,623	10,797,236	11,212,919	11,460,578	10,541,498	9,106,309
$100,000 to $499,999	41,598,492	45,291,259	34,485,336	36,371,435	30,283,310	26,520,470	28,764,587	29,583,820	29,217,305	25,841,583
$500,000 to $999,999	22,673,825	21,811,520	19,155,227	18,342,400	14,378,623	15,462,702	15,655,643	16,818,374	16,346,324	13,965,661
$1,000,000 to $1,999,999	25,202,331	25,090,033	21,007,781	25,209,567	14,161,206	16,188,365	19,046,924	17,400,680	17,314,232	14,945,551
$2,000,000 to $9,999,999	66,202,754	61,100,149	46,934,590	49,914,930	36,624,770	39,920,608	44,885,307	45,912,825	42,072,711	39,066,542
$10,000,000 and over	75,705,950	70,029,846	84,660,837	61,840,356	54,849,013	49,851,943	54,458,726	55,885,520	39,988,223	37,719,936
Total before adjustments	$268,626,235	$261,901,851	$237,811,514	$225,239,474	$177,266,168	$177,291,690	$191,128,352	$211,144,630	$172,140,805	$154,330,020
Departmental adjustments	(2,297,260)	44,144	480,938	6,594,355	6,842,592	7,089,681	8,393,727	8,363,441	6,338,622	9,934,280
Total	$266,328,975	$261,945,995	$238,292,452	$231,833,829	$184,108,760	$184,381,371	$199,522,079	$219,508,071	$178,479,427	$164,264,300

Table 3.1

State and Local Retail Sales and Use Tax
Fiscal Years 1979-1988

Fiscal Year Ending June 30	State Sales and Use Tax			Local Sales and Use Tax
	Sales Tax*	Use Tax*	Total*	Total*
1979	$511,162,449	$34,854,853	$546,017,302	$185,767,086
1980	555,180,498	40,682,276	595,862,774	202,419,795
1981	603,651,234	43,678,663	647,329,897	220,249,171
1982	628,351,527	44,419,735	672,771,262	231,364,839
1983	676,052,186	49,397,332	725,449,518	247,287,672
1984	771,180,995	55,629,260	826,810,255	276,271,526
1985	865,267,061	71,580,715	936,847,776	312,282,592
1986	941,684,718	84,686,395	1,026,371,113	342,123,704
1987	1,070,474,550	98,676,819	1,169,151,369**	389,717,123
1988	1,279,162,506	121,256,233	1,400,418,739***	411,012,136

**Includes penalty and interest.*
***Includes $68,921,649 in Transportation Sales Tax.*
****Includes $204,602,580 in Transportation Sales Tax.*

Figure 7

State and Local Retail Sales and Use Tax
Collections in Millions — Fiscal Years 1979-1988

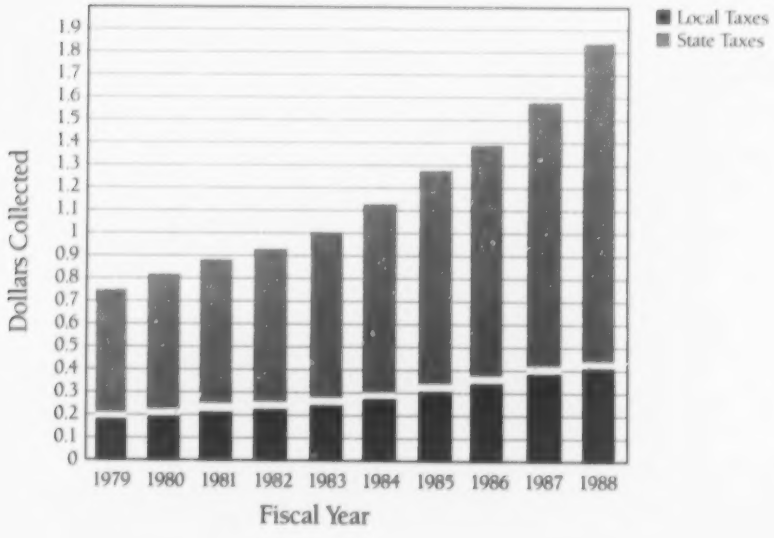


Table 3.2

Annual Sales by Business Classification Made During the Fiscal Year Ending June 30, 1988, as Reflected by Deposits of Sales Tax Revenue Made During the Period Beginning August 1, 1987, and Ending July 31, 1988

Many businesses fall into more than one class. For example, grocery stores sell many nonfood items; department stores, hotels etc., sell food. Therefore, the classifications reflect the principal business activity, as reported by dealers.

	Code	Taxable Sales
Apparel Group	01. Clothing — Men, women, children	$1,323,510,759
	02. Furriers	10,434,429
	03. Millinery	1,671,260
	04. Shoes — Men, women, children	411,803,440
	09. Other apparel (uniforms, formals, etc.)	49,078,647
Automotive Group	10. Accessories, batteries, repair parts, tires, etc.	864,866,667
	11. Aircraft	18,124,636
	12. Boats, boat motors, boating accessories	43,447,737
	13. Motor vehicle dealers, motorcycle dealers	314,885,754
	14. Service stations, garages, auto repair shops, truck-stops (tractor parts and equipment)	689,764,359
	19. Other automotive (installation of windshield and other glass for cars, trailers, mobile homes, etc.)	158,257,198
Food Group	20. Bakery products	69,416,453
	21. Candy and confections	22,431,246
	22. Dairy products	24,605,021
	23. Fruit stands, vegetable stands, roadside markets, rolling markets	38,731,869
	24. Groceries, meats, seafood — Chain	5,471,478,593
	25. Groceries, meats, seafood — Nonchain (including meat processing concerns, etc.)	1,978,103,151
	26. Private membership clubs	70,554,849
	27. Restaurants, cafeterias, delicatessens, grills, cafes, snack-bars, drive-ins, catering, etc.	3,756,283,160
	28. Taverns, beer parlors, dance halls	3,758,226
	29. Other food	383,123,569
Furniture, Home Furnishings and Equipment Group	30. Furniture, household (floor coverings, interior decorators, reupholstering dealers, etc.)	1,181,145,320
	31. Household appliances, appliance repairs	348,304,607
	32. Office furniture, business machines, and equipment	610,617,018
	33. Radios, televisions, musical instruments, repairs thereto	340,052,954
	39. Other furniture and household equipment (sewing machines, lawn mowers, repairs thereto)	123,694,861

Statistical Summary *Retail Sales and Use Tax*

	Code	Taxable Sales
General Merchandise Group	40. Department stores, discount stores	$2,990,300,703
	41. Dry goods, variety stores, fabric and yarn, trading stamp redemption stores	1,185,861,599
	42. Drug stores, selling a variety of merchandise in addition to prescription drugs, wholesale drugs	695,453,783
	49. Other general merchandise (funeral directors, religious supplies, feed and seed stores, feed mills, advertising agencies, pet shops, horses, liquid embroidery, mail orders, cosmetics, door to door vendors)	838,635,330
Lumber, Building Materials and Supply Group	50. Building materials (lumber, brick, tile, roofing, ready-mix concrete, stone, gravel, dirt, etc.)	2,801,275,555
	51. Cabinet shops, millwork, pre-cut lumber stock	182,526,287
	52. Electrical supplies	314,024,179
	53. Hardware supplies, locksmiths	291,240,439
	54. Paint, wallpaper, glass	210,319,863
	55. Plumbing, heating, refrigeration, air-conditioning, well drilling supplies	441,860,823
	59. Other building supplies	419,013,390
Fuel Group	60. Fuel oil	171,229,576
	61. Bottled gas	46,424,912
	62. Wood	2,145,476
	69. Coal, other fuels	148,910,347
Machinery, Equipment, and Supplies Group	70. Construction or road maintenance machinery, equipment, supplies	278,694,694
	71. Professional equipment, supplies (dental supplies, etc.)	82,456,767
	72. Service — Establishment equipment, supplies, (beauty supplies, welding supplies, snap-on tool dealers, etc.)	213,335,709
	79. Other machinery, equipment, supplies (electronic, communication, pollution control, signs, farm equipment, alarm systems, leasing and rental companies, etc.)	1,117,166,412
Miscellaneous Group	80. Antiques	59,902,785
	81. Books, stationery (paper products, printing, office supplies, business forms, etc.)	657,975,991
	82. Cigar stores, newsstands	22,960,166
	83. Florists, nurserymen, garden supplies, fertilizer, Christmas tree dealers	286,618,059
	84. Gifts and novelties, art and curio shops, coin and stamp dealers, ceramics, fireworks	449,120,020
	85. Jewelry, luggage, leather goods	291,803,167
	86. Salvage, surplus, secondhand goods, pawnshops, flea markets	71,578,199
	87. Sporting goods, photographic supplies, hobby-shops, toy shops, firearms, photo studios, portraits, commercial photographs, gun repair shops, golf courses, bowling alleys, pool parlors, etc.	646,324,840
	88. Vending machine sales	90,895,765
	89. Retail sales and/or rentals of tangible personal property by shoe repair shops, beauty shops, business schools, music instructors, manufactures agents, wholesale merchandise brokers, optical companies, auctioneers and auction markets, manufacturers, banks, hearing aid companies, etc.	2,030,460,841
	90. Hotels, motels, tourist camps, etc.	1,474,746,161
	00. Other miscellaneous and unidentifiable	196,331,226
	Total	$37,017,738,847

Table 3.3

Sales Tax Distribution—Fiscal Year 1987-1988

Counties	Share of State Tax	Local 1%	Total
Accomack	$1,729,679.74	$1,535,468.65	$3,265,148.39
Albemarle	3,603,634.56	3,987,051.97	7,590,686.53
Alleghany	996,308.51	359,302.74	1,355,611.25
Amelia	687,657.12	217,938.00	905,595.12
Amherst	1,768,909.59	1,121,420.28	2,890,329.87
Appomattox	911,364.53	425,164.08	1,336,528.61
Arlington	6,751,748.97	13,805,726.36	20,557,475.33
Augusta	3,347,829.99	2,129,386.66	5,477,216.65
Bath	335,236.90	492,065.87	827,302.77
Bedford	2,799,908.93	709,956.38	3,509,865.31
Bland	415,317.65	95,708.38	511,026.03
Botetourt	1,652,841.12	701,482.26	2,354,323.38
Brunswick	1,158,091.11	446,367.96	1,604,459.07
Buchanan	3,075,814.75	1,329,902.67	4,405,717.42
Buckingham	879,267.37	262,393.21	1,141,660.58
Campbell	3,511,882.09	2,014,280.11	5,526,162.20
Caroline	1,486,843.74	457,495.74	1,944,339.48
Carroll	1,827,592.27	587,875.18	2,415,467.45
Charles City	396,837.51	72,100.30	468,937.81
Charlotte	968,101.92	285,013.71	1,253,115.63
Chesterfield	14,861,953.03	12,569,323.78	27,431,276.81
Clarke	705,164.66	318,722.63	1,023,887.29
Craig	290,495.41	66,653.00	357,148.41
Culpeper	1,602,263.79	1,687,525.92	3,289,789.71
Cumberland	623,138.60	155,581.15	778,719.75
Dickenson	1,576,002.47	448,364.68	2,024,367.15
Dinwiddie	1,316,631.58	400,320.57	1,716,952.15
Essex	640,646.13	724,222.99	1,364,869.12
Fairfax	51,048,085.28	61,915,236.10	112,963,321.38
Fauquier	3,050,850.31	2,901,460.17	5,952,310.48
Floyd	794,323.41	225,484.06	1,019,807.47
Fluvanna	729,804.89	188,633.77	918,438.66
Franklin	2,307,752.65	1,379,637.20	3,687,389.85
Frederick	2,847,568.34	2,243,590.93	5,091,159.27
Giles	1,195,699.88	709,424.12	1,905,124.00
Gloucester	2,005,909.75	1,118,493.20	3,124,402.95
Goochland	698,356.16	416,674.02	1,115,030.18
Grayson	1,044,292.12	211,016.44	1,255,308.56
Greene	758,011.47	192,387.97	950,399.44
Greensville	799,510.82	281,416.10	1,080,926.92
Halifax	2,352,169.93	873,455.89	3,225,625.82
Hanover	4,172,305.28	4,765,039.87	8,937,345.15
Henrico	12,710,795.59	22,303,692.06	35,014,487.65
Henry	4,016,682.72	2,465,091.92	6,481,774.64
Highland	142,329.80	56,581.49	198,911.29

Statistical Summary *Retail Sales and Use Tax*

Counties	Share of State Tax	Local 1%	Total
Isle of Wight	$1,692,395.19	$963,768.80	$2,656,163.99
James City	1,904,755.12	2,899,609.22	4,804,364.34
King George	911,364.53	319,759.18	1,231,123.71
King & Queen	443,848.47	88,447.16	532,295.63
King William	687,332.89	413,381.56	1,100,714.45
Lancaster	547,921.06	704,018.16	1,251,939.22
Lee	2,312,940.08	588,681.62	2,901,621.70
Loudoun	4,987,378.34	7,365,849.18	12,353,227.52
Louisa	1,458,312.93	509,691.02	1,968,003.95
Lunenburg	819,612.06	273,989.54	1,093,601.60
Madison	751,851.42	347,196.10	1,099,047.52
Mathews	502,206.93	222,856.72	725,063.65
Mecklenburg	1,994,886.50	1,547,061.58	3,541,948.08
Middlesex	453,250.66	312,480.61	765,731.27
Montgomery	3,606,228.27	3,671,194.93	7,277,423.20
Nelson	815,397.31	381,344.52	1,196,741.83
New Kent	843,279.67	231,497.22	1,074,776.89
Northampton	1,173,004.95	661,167.08	1,834,172.03
Northumberland	537,221.99	281,187.95	818,409.94
Nottoway	1,050,452.17	641,809.19	1,692,261.36
Orange	1,411,301.96	849,501.28	2,260,803.24
Page	1,319,225.30	849,273.10	2,168,498.40
Patrick	1,166,844.89	374,531.52	1,541,376.41
Pittsylvania	4,743,245.49	1,124,469.61	5,867,715.10
Powhatan	837,768.03	328,633.83	1,166,401.86
Prince Edward	1,099,732.65	1,105,358.72	2,205,091.37
Prince George	2,060,053.43	558,423.65	2,618,477.08
Prince William	16,115,687.17	15,161,508.25	31,277,195.42
Pulaski	2,554,155.01	1,692,401.42	4,246,556.43
Rappahannock	346,908.60	138,695.38	485,603.98
Richmond	447,739.03	606,921.02	1,054,660.05
Roanoke	5,373,841.00	4,474,483.91	9,848,324.91
Rockbridge	1,065,690.21	801,895.89	1,867,586.10
Rockingham	3,761,526.60	1,566,530.98	5,328,057.58
Russell	2,091,502.16	815,694.72	2,907,196.88
Scott	1,720,925.98	768,701.59	2,489,627.57
Shenandoah	1,853,853.57	1,452,055.04	3,305,908.61
Smyth	2,379,728.06	1,327,157.32	3,706,885.38
Southampton	1,244,656.13	262,901.46	1,507,557.59
Spotslyvania	3,835,771.50	4,076,028.31	7,911,799.81
Stafford	4,145,719.74	1,978,418.54	6,124,138.28
Surry	383,544.73	131,774.98	515,319.71
Sussex	906,177.11	331,574.48	1,237,751.59
Tazewell	3,571,213.19	2,427,568.39	5,998,781.58
Warren	1,745,566.21	1,306,498.03	3,052,064.24
Washington	3,299,522.16	1,787,392.98	5,086,915.14
Westmoreland	923,036.21	427,252.36	1,350,288.57
Wise	3,677,555.27	1,883,315.03	5,560,870.30
Wythe	1,975,109.46	1,358,265.35	3,333,374.81
York	3,136,118.49	2,542,808.18	5,678,926.67
Total Counties	**$257,282,972.32**	**$224,589,157.20**	**$481,872,129.52**

Table 3.3, continued

Sales Tax Distribution—Fiscal Year 1987-1988

Cities	Share of State Tax	Local 1%	Total
Alexandria	$4,521,807.57	$11,528,214.21	$16,050,021.78
Bedford	346,584.38	602,869.76	949,454.14
Bristol	1,163,926.95	2,151,206.66	3,315,133.61
Buena Vista	479,511.97	272,038.37	751,550.34
Charlottesville	1,879,466.44	4,867,785.31	6,747,251.75
Chesapeake	9,896,945.43	7,703,271.19	17,600,216.62
Clifton Forge	276,554.23	202,765.95	479,320.18
Colonial Heights	1,048,182.67	955,833.96	2,004,016.63
Covington	455,195.94	681,812.39	1,137,008.33
Danville	3,006,108.85	3,972,526.13	6,978,634.98
Emporia	282,714.28	549,516.59	832,230.87
Fairfax	1,117,888.61	5,366,915.50	6,484,804.11
Falls Church	472,055.06	2,627,986.35	3,100,041.41
Franklin	500,585.83	650,992.79	1,151,578.62
Fredericksburg	912,661.39	2,731,112.75	3,643,774.14
Galax	375,439.40	1,041,768.44	1,417,207.84
Hampton	8,325,806.14	9,373,031.87	17,698,838.01
Harrisonburg	1,044,616.34	4,510,950.45	5,555,566.79
Hopewell	1,510,187.12	1,165,509.76	2,675,696.88
Lexington	249,644.50	356,909.82	606,554.32
Lynchburg	3,917,797.56	6,522,165.14	10,439,962.70
Manassas	1,385,364.86	2,580,021.68	3,965,386.54
Manassas Park	582,287.69	378,628.64	960,916.33
Martinsville	1,097,138.94	1,710,553.34	2,807,692.28
Newport News	11,557,891.88	8,445,322.13	20,003,214.01
Norfolk	16,083,914.22	20,020,112.60	36,104,026.82
Norton	422,126.13	519,449.98	941,576.11
Petersburg	2,570,365.70	3,556,533.31	6,126,899.01
Poquoson	841,982.81	198,090.64	1,040,073.45
Portsmouth	6,581,536.80	5,194,113.31	11,775,650.11
Radford	623,787.04	478,488.60	1,102,275.64
Richmond	12,729,924.17	20,076,028.68	32,805,952.85
Roanoke	7,788,259.94	11,397,044.44	19,185,304.38
Salem	1,356,509.85	2,653,160.44	4,009,670.29
South Boston	494,101.57	595,754.08	1,089,855.65
Staunton	1,225,527.54	1,763,867.25	2,989,394.79
Suffolk	4,081,201.24	2,157,856.75	6,239,057.99
Virginia Beach	26,127,404.20	22,926,532.49	49,053,936.69
Waynesboro	1,128,911.88	1,578,560.88	2,707,472.76
Williamsburg	277,526.88	2,703,493.32	2,981,020.20
Winchester	1,151,606.83	3,664,691.75	4,816,298.58
Total Cities	**$139,891,050.83**	**$180,433,487.70**	**$320,324,538.53**
Aggregate	**$397,174,023.15**	**$405,022,644.90**	**$802,196,668.05**

Note: The state and local sales tax base is not the same due to the home heating fuels exemption at the state level and at the local level where not adopted. Effective date October 1, 1981.

Table 4.1

Aircraft Sales and Use Tax
Fiscal Years 1979-1988

Fiscal Year Ending June 30	Amount*
1979	$709,237
1980	769,482
1981	685,711
1982	1,098,769
1983	826,095
1984	828,118
1985	757,533
1986	952,369
1987	1,889,593
1988	1,177,478

**Includes penalty and interest.*

Figure 8

Aircraft Sales and Use Tax
Collections in Millions Fiscal Years 1979-1988

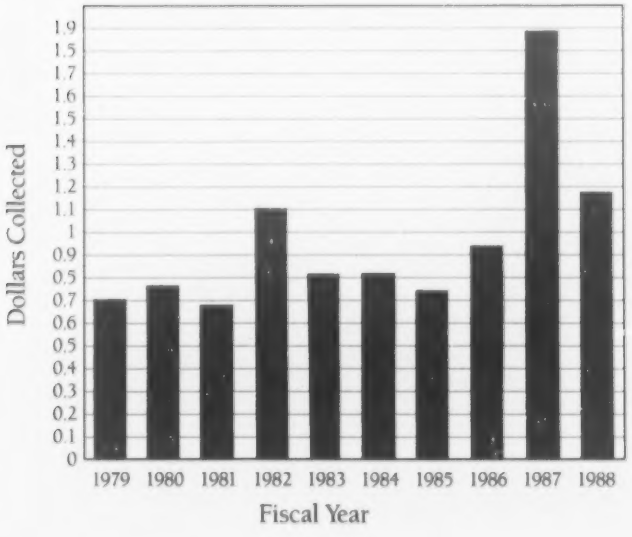


Table 4.2

Inheritance Taxes, Gift Taxes,† Estate Taxes‡*
Fiscal Years 1979-1988

Fiscal Year Ending June 30	Inheritance Taxes Amount*	Gift Taxes Amount†	Estate Taxes Amount‡
1979	$25,635,089	$1,035,169	—
1980	26,950,815	797,336	—
1981	12,299,091	344,216	$8,174,071
1982	2,720,530	435,278	19,621,952
1983	1,273,365	63,307	17,378,685
1984	779,992	327,402	26,117,751
1985	450,791	172,469	28,475,941
1986	863,549	13,935	19,787,587
1987	240,722	13,851	33,109,145
1988	383,660	45,559	43,564,497

**Inheritance tax repealed and replaced with an estate tax effective January 1, 1980.*
†Gift tax repealed and replaced with an estate tax effective January 1, 1980.
‡Estate tax replaced the inheritance tax and the gift tax effective January 1, 1980.

Figure 9

Inheritance Taxes, Gift Taxes, Estate Taxes
Collections in Millions — Fiscal Years 1979-1988

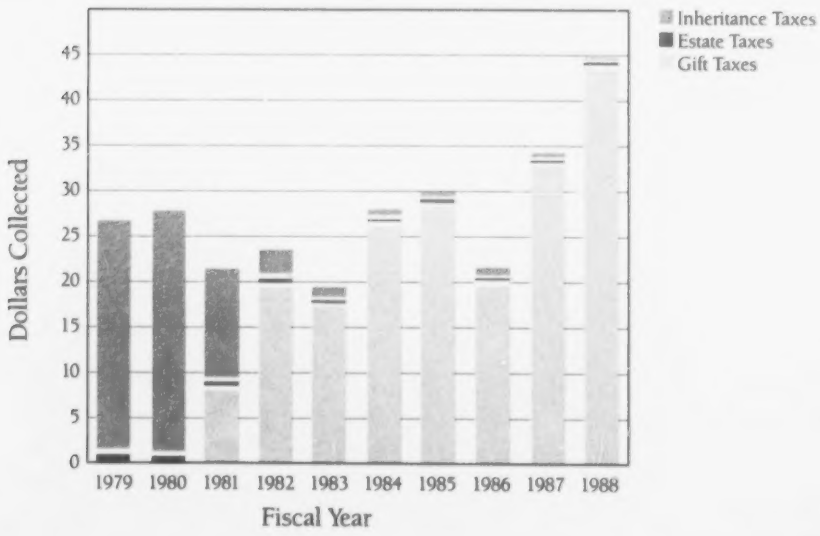


Table 4.3

State Recordation Taxes
Fiscal Years 1979-1988

Fiscal Year Ending June 30	Amount
1979	$32,680,576
1980	30,628,495
1981	31,782,042
1982	28,975,025
1983	37,648,508
1984	54,621,978
1985	59,778,951
1986	76,626,061
1987	105,262,727
1988	93,555,671

Figure 10

State Recordation Taxes
Collections in Millions — Fiscal Years 1979-1988

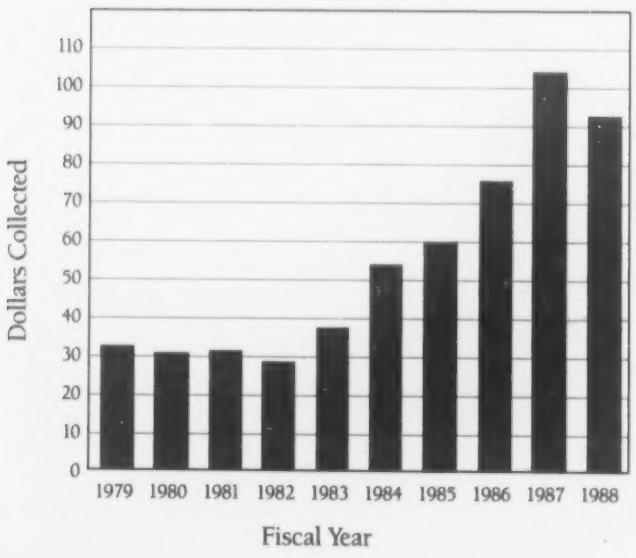


Table 4.4

Malt Beverage & Tobacco Products Excise Taxes
Fiscal Years 1979-1988

Fiscal Year Ending June 30	Malt Beverage Amount	Tobacco Products Amount
1979	$31,262,150	$17,478,106
1980	31,465,473	17,282,633
1981	32,773,246	17,865,880
1982	33,059,580	17,838,405
1983	33,661,946	17,478,765
1984	34,873,153	16,994,671
1985	31,756,775	17,040,898
1986	35,854,330	17,237,522
1987	37,799,530	17,111,650
1988	38,511,992	17,013,486

Figure 11

Malt Beverage and Tobacco Products Excise Taxes
Collections in Millions — Fiscal Years 1979-1988

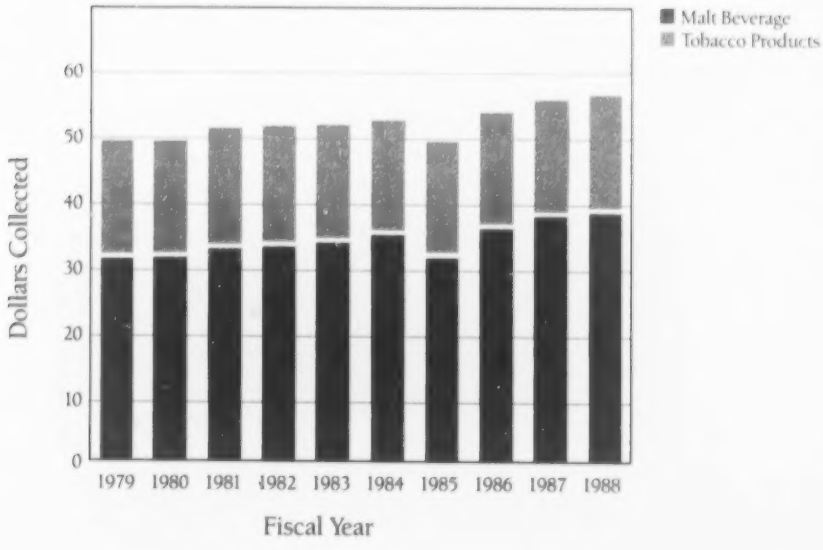


Table 4.5

Miscellaneous Excise Taxes
Fiscal Years 1979-1988

Fiscal Year Ending June 30	Forest Products	Eggs	Peanuts	Soybeans	Slaughter Hogs and Feeder Pigs
1979	$593,431	$51,786	$129,741	$63,686	$74,501
1980	615,704	49,059	133,215	63,552	114,915*
1981	663,101	78,408	63,229	45,523	155,311
1982	924,242†	82,956	135,880	59,320	146,159
1983	1,071,065	118,725	159,463	129,168‡	132,194
1984	1,207,326§	121,477	148,898§	135,879	156,907
1985	1,297,400**	152,800	255,305**	124,615	158,804
1986	1,313,847	196,272	244,202	116,244	150,393
1987	1,347,102	203,094	317,489	101,621	122,501
1988	1,419,795	187,694	220,120	96,337	—

*Rate increase July 1, 1979.
†Rate increase July 1, 1981.
‡Rate increase October 1, 1982.
§Rate increase July 1, 1983.
**Rate increase July 1, 1984.

Figure 12

Miscellaneous Taxes
Collections in Millions — Fiscal Years 1979-1988

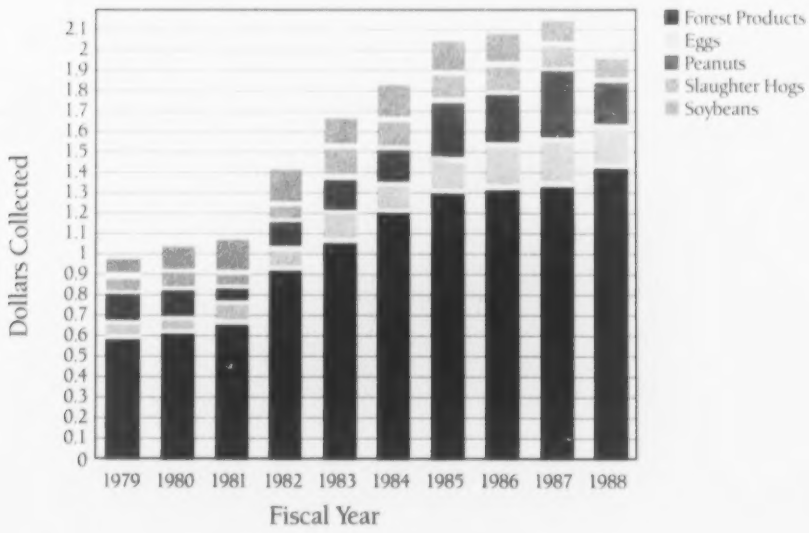


Table 4.6

Statement Showing Assessment for the Tax Year Beginning January 1, 1988, of the Net Taxable Capital of Banks and Trust Companies

	Counties	Cities	Total
Total capital value based on capital, surplus and undivided profits	$1,316,174,577	$2,275,476,683	$3,591,651,260
Deductions of assessed value of real estate otherwise taxed in this state	294,718,711	652,662,639	947,381,350
Deductions of book value of tangible personal property otherwise taxed in this state	16,638,523	27,028,257	43,666,780
Reserve for loan losses included in undivided profits or capital reserves	441,436	8,276,113	8,717,549
Other deductions: (Totals)	165,054,328	273,777,896	438,832,224
(a) U. S. obligations	150,722,801	180,122,776	330,845,577
(b) Surplus and retained earnings of non-banking subsidiaries	14,160,527	87,907,092	102,067,619
(c) Miscellaneous deductions	171,000	5,748,028	5,919,028
Net taxable capital	$839,321,579	$1,313,731,778	$2,153,053,357
Taxes at $1.00 per $100.00 of net capital	$8,393,216	$13,137,318	$21,530,534*

**Of this amount, $4,301,765 was paid into the state treasury, $17,216,294 paid into the treasuries of certain counties, cities and towns, and a credit of $4,700 was given to certain counties and $7,775 to certain cities.*

Table 4.7

Franchise Tax on Net Capital of Banks and Trust Companies
Fiscal Years 1979-1988

Fiscal Year Ending June 30	State Taxes	Local Taxes
1979	$2,822,720	$9,067,346
1980	2,034,630	8,192,631
1981	1,790,040	7,118,348
1982	2,640,577	10,546,708
1983	2,271,649	8,476,888
1984	2,382,022	8,686,103
1985	2,608,738	10,420,860
1986	2,911,481	12,269,430
1987	3,767,111	15,100,089
1988	4,301,765	17,216,294

Figure 13

Franchise Tax on Net Capital
Collections in Millions — Fiscal Years 1979-1988

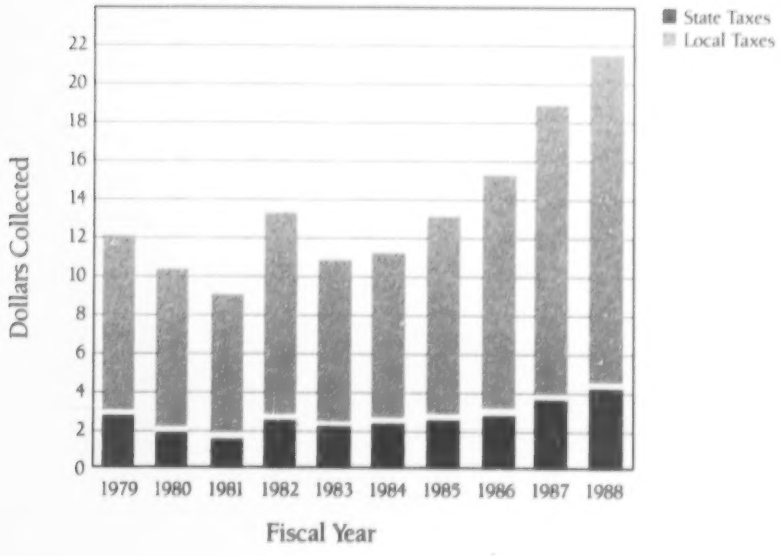


Table 5.1

Assessed Values - Tax Years 1978-1987

Tax Year	Real Estate (Taxable Value)	Tangible Personal Property	Machinery and Tools	Merchants' Capital	Public Service Corporations
1978	$59,174,909,941	$4,721,569,344	$1,044,669,057	$242,582,273	$4,833,260,117
1979	71,250,952,064	5,503,190,440	1,373,241,244	277,460,986	6,206,811,482
1980	87,376,429,737	6,153,473,795	1,546,578,710	317,861,627	7,306,205,710
1981	104,098,567,681	7,312,863,999	1,875,186,679	334,215,479	8,754,054,884
1982	118,991,739,495	8,481,566,856	2,201,832,683	369,528,592	9,960,035,797
1983	127,352,797,555	9,290,109,161	2,456,620,827	356,843,552	11,093,218,855
1984	137,876,319,112	11,667,165,268	2,602,946,752	380,967,911	11,296,328,281
1985	149,824,214,588	13,238,575,927	2,755,900,738	354,146,274	12,064,573,235
1986	166,460,429,887	14,861,808,984	3,038,676,828	406,342,018	14,336,881,271
1987	187,079,024,886	16,998,627,194	3,275,130,063	358,855,773	14,962,221,325

Table 5.2

Levies Assessed—Tax Years 1978-1987

Tax Year	Real Estate	Tangible Personal Property	Machinery and Tools	Merchants' Capital	Public Service Corporations
1978	$829,872,932	$187,603,225	$29,844,572	$3,956,842	$74,339,748
1979	874,707,772	215,557,561	35,154,136	4,285,013	76,748,829
1980	982,371,259	237,316,821	40,940,988	4,909,406	78,580,197
1981	1,114,746,631	271,128,547	47,116,160	4,936,231	85,820,685
1982	1,226,657,479	315,402,776	51,354,597	5,049,299	89,886,934
1983	1,303,507,153	345,657,755	58,255,469	4,849,875	96,912,650
1984	1,413,092,177	423,088,766	62,753,597	5,163,738	96,260,001
1985	1,519,835,240	482,123,318	65,968,841	5,373,317	102,740,324
1986	1,683,080,997	538,486,692	72,936,710	5,752,340	115,448,564
1987	1,899,779,557	594,735,922	79,493,869	5,793,984	123,369,102

Table 5.3

*Average Nominal Tax Rates**
Tax Years 1978-1987

Tax Year	Real Estate	Tangible Personal Property	Machinery and Tools	Merchants' Capital	Public Service Corporations
1978	$1.40	$3.97	$2.86	$1.63	$1.54
1979	1.23	3.92	2.56	1.54	1.24
1980	1.12	3.86	2.65	1.54	1.08
1981	1.07	3.71	2.51	1.48	0.98
1982	1.03	3.72	2.33	1.37	0.90
1983	1.02	3.72	2.37	1.36	0.87
1984	1.02	3.63	2.41	1.36	0.85
1985	1.01	3.64	2.39	1.52	0.85
1986	1.01	3.62	2.40	1.42	0.81
1987	1.02	3.50	2.43	1.61	0.82

**Per $100 of Assessed Value.*

Table 5.4

Real Estate—Area, Fair Market Values, Taxable Values and Local Levies on Land Books—Tax Year 1987—by Locality

Counties	Area in Square Miles*	Fair Market Values of Land	Taxable Values of Land†	Buildings and Improvements	Total Fair Market Values	Total Taxable Values‡	Total Local Levies
Accomack	602	$353,646,300	$303,784,700	$363,398,260	$717,044,560	$667,182,960	$4,825,192.09
Albemarle	741	1,073,898,475	731,018,930	1,619,221,700	2,693,120,175	2,350,240,630	16,921,732.54
Alleghany	444	77,896,700	67,678,290	189,987,630	267,884,330	257,665,920	1,752,128.44
Amelia	366	158,840,454	128,230,881	88,367,430	247,207,884	216,598,311	1,454,209.58
Amherst	470	154,430,000	141,291,920	308,405,980	462,835,980	449,697,900	2,834,320.74
Appomattox	345	92,321,100	92,321,100	120,327,200	212,648,300	212,648,300	1,339,684.29
Arlington	24	4,272,583,700	4,272,583,700	7,375,144,200	11,647,727,900	11,647,727,900	107,159,096.70
Augusta	969	491,092,400	346,062,450	841,281,600	1,332,374,000	1,187,344,050	6,886,595.49
Bath	540	64,799,350	64,799,350	106,366,200	171,165,550	171,165,550	667,543.00
Bedford	764	418,627,740	315,074,255	619,774,260	1,038,402,000	934,848,515	5,702,578.00
Bland	369	46,865,840	37,864,350	52,721,950	99,587,790	90,586,300	679,397.25
Botetourt	549	201,443,360	155,749,910	340,760,080	542,203,440	496,509,990	3,723,829.76
Brunswick	579	196,208,130	196,208,130	125,958,485	322,166,615	322,166,615	1,681,966.99
Buchanan	508	502,493,500	502,493,500	421,778,600	924,272,100	924,272,100	5,083,496.55
Buckingham	582	179,438,500	179,438,500	106,936,900	286,375,400	286,375,400	1,174,139.14
Campbell	511	258,857,920	225,435,070	652,273,270	911,131,190	877,708,340	3,949,693.00
Caroline	549	219,309,610	194,529,080	230,137,605	449,447,215	424,666,685	2,717,866.43
Carroll	494	222,929,450	222,929,450	296,205,100	519,134,550	519,134,550	2,206,374.51
Charles City	204	59,360,380	59,360,380	83,792,783	143,153,163	143,153,163	1,846,675.80
Charlotte	471	128,277,478	128,277,478	105,504,770	233,782,248	233,782,248	1,168,911.24
Chesterfield	446	1,577,164,650	1,474,559,286	3,910,481,380	5,487,646,030	5,385,040,666	56,004,423.00
Clarke	174	180,683,600	128,083,200	233,318,600	414,002,200	361,401,800	2,529,812.60
Craig	336	52,363,170	52,363,170	40,757,712	93,120,882	93,120,882	512,164.91
Culpeper	389	327,244,201	211,508,893	456,006,976	783,251,177	667,515,869	4,071,847.70
Cumberland	292	78,643,784	78,643,784	95,607,154	174,250,938	174,250,938	540,179.65
Dickenson	335	270,335,450	270,335,450	217,161,782	487,497,232	487,497,232	2,583,735.33
Dinwiddie	501	214,705,383	165,879,523	205,581,400	420,286,783	371,460,923	2,971,687.38
Essex	264	148,436,900	148,436,900	158,424,300	306,861,200	306,861,200	1,380,875.42
Fairfax	409	12,238,784,335	12,219,227,720	27,644,734,089	39,883,518,424	39,863,961,809	529,895,345.00
Fauquier	660	905,379,000	592,763,260	1,045,295,640	1,950,674,640	1,638,058,900	11,794,023.85
Floyd	383	120,195,760	120,195,760	129,203,668	249,399,428	249,399,428	1,621,096.29
Fluvanna	288	169,350,454	119,055,434	172,362,236	341,712,690	291,417,670	1,602,802.62
Franklin	721	349,559,632	305,657,689	561,078,683	910,638,315	866,736,372	4,333,676.80
Frederick	427	421,922,070	341,194,632	700,160,170	1,122,082,240	1,041,354,802	5,727,451.41
Giles	363	91,937,603	67,122,803	209,974,600	301,912,203	277,097,403	1,884,262.34
Gloucester	257	413,178,100	355,315,670	502,173,150	915,351,250	857,488,820	5,659,426.30
Goochland	295	218,919,850	205,345,090	195,667,700	414,587,550	401,012,790	2,887,292.08
Grayson	451	145,814,300	145,814,300	145,515,100	291,329,400	291,329,400	1,747,976.40
Greene	153	106,022,675	73,298,135	120,031,050	226,053,725	193,329,185	1,449,989.00
Greensville	300	102,382,570	102,382,570	110,779,810	213,162,380	213,162,380	959,230.97
Halifax	803	246,753,000	246,753,000	274,476,340	521,229,340	521,229,340	1,876,425.62
Hanover	471	592,948,000	454,664,300	986,415,100	1,579,363,100	1,441,079,400	10,041,257.88
Henrico	234	1,674,210,246	1,630,301,486	4,685,718,384	6,359,928,630	6,316,019,870	61,930,089.94
Henry	384	234,627,200	229,067,600	771,424,900	1,006,052,100	1,000,492,500	5,402,659.50
Highland	416	89,192,500	89,192,500	38,932,000	128,124,500	128,124,500	704,684.75
Isle of Wight	360	322,225,420	203,453,959	412,561,106	734,786,526	616,015,065	4,373,706.96
James City	177	635,555,500	591,622,500	908,018,400	1,543,573,900	1,499,640,900	9,447,737.38
King George	183	117,763,000	82,586,300	165,687,500	283,450,500	248,273,800	2,184,809.44
King & Queen	327	102,089,770	102,089,770	54,803,320	156,893,090	156,893,090	1,286,525.04
King William	286	152,268,100	104,022,200	167,991,700	320,259,800	272,013,900	1,867,599.30
Lancaster	153	195,227,000	195,227,000	273,234,050	468,461,050	468,461,050	1,826,998.10
Lee	438	151,938,152	151,938,152	240,381,815	392,319,967	392,319,967	2,157,760.38
Loudoun	517	3,000,927,450	1,958,895,690	2,429,320,510	5,430,247,960	4,388,216,200	38,616,302.33
Louisa	517	311,991,550	216,718,340	255,335,500	567,327,050	472,053,840	2,265,858.44
Lunenburg	443	136,265,500	136,265,500	117,229,500	253,495,000	253,495,000	1,444,921.50

Table 5.4, continued

Real Estate—Area, Fair Market Values, Taxable Values and Local Levies on Land Books—Tax Year 1987—by Locality

Counties	Area in Square Miles*	Fair Market Values of Land	Taxable Values of Land†	Buildings and Improvements	Total Fair Market Values	Total Taxable Values‡	Total Local Levies
Madison	327	$188,023,750	$110,910,810	$167,058,100	$355,081,850	$277,968,910	$1,973,579.27
Mathews	105	146,567,440	146,567,440	197,252,288	343,819,728	343,819,728	1,822,244.55
Mecklenburg	675	264,898,400	264,898,400	320,132,600	585,031,000	585,031,000	2,457,130.20
Middlesex	138	161,930,800	138,324,830	198,054,600	359,985,400	336,379,430	1,513,708.52
Montgomery	392	415,007,700	375,844,240	925,515,300	1,340,523,000	1,301,359,540	8,588,972.97
Nelson	471	258,824,145	212,144,305	303,888,730	562,712,875	516,033,035	3,199,404.82
New Kent	221	172,436,600	163,708,500	142,974,000	315,410,600	306,682,500	2,698,806.00
Northampton	357	137,577,600	137,577,600	129,856,700	267,434,300	267,434,300	2,047,927.42
Northumberland	223	200,330,059	200,330,059	214,563,748	414,893,807	414,893,807	2,281,886.48
Nottoway	308	122,420,710	116,600,810	153,278,240	275,698,950	269,879,050	1,187,467.75
Orange	355	254,885,250	199,186,750	349,790,500	604,675,750	548,977,250	3,293,863.50
Page	316	163,008,653	137,061,086	282,133,648	445,142,301	419,195,334	2,221,715.27
Patrick	469	148,673,760	148,673,760	209,487,530	358,161,290	358,161,290	1,719,173.82
Pittsylvania	1,012	382,961,260	322,144,590	757,993,670	1,140,954,930	1,080,138,260	3,780,483.95
Powhatan	272	155,932,000	119,639,509	192,470,020	348,402,020	312,109,529	2,372,032.50
Prince Edward	357	110,965,100	107,134,050	144,121,800	255,086,900	251,255,850	1,231,153.67
Prince George	281	190,734,900	136,772,724	271,590,400	462,325,300	408,363,124	3,185,225.62
Prince William	332	2,335,616,100	2,084,166,900	4,130,601,100	6,466,217,200	6,214,768,000	84,925,014.67
Pulaski	340	194,314,450	169,768,430	504,174,740	698,489,190	673,943,170	3,369,715.85
Rappahannock	267	147,879,640	99,249,990	118,784,570	266,664,210	218,034,560	1,504,438.53
Richmond	203	74,691,520	74,691,520	88,261,940	162,953,460	162,953,460	977,720.76
Roanoke	246	540,820,500	502,856,200	1,581,029,200	2,121,849,700	2,083,885,400	23,964,666.94
Rockbridge	598	192,159,700	145,065,800	260,296,000	452,455,700	405,361,800	2,229,489.90
Rockingham	853	507,169,120	389,701,500	947,921,530	1,455,090,650	1,337,623,030	8,293,262.79
Russell	483	257,568,300	205,129,322	275,302,000	532,870,300	480,431,322	2,930,631.06
Scott	539	142,290,741	142,290,741	197,149,100	339,439,841	339,439,841	1,968,751.08
Shenandoah	507	355,368,300	273,311,100	526,889,900	882,258,200	803,201,000	4,401,105.50
Smyth	435	171,073,022	138,180,463	387,125,985	558,199,007	525,306,448	2,626,531.00
Southampton	599	272,661,200	272,661,200	237,321,300	509,982,500	509,982,500	1,886,935.25
Spotsylvania	407	480,238,842	378,323,173	759,577,968	1,239,816,810	1,137,901,141	7,967,318.90
Stafford	277	420,164,975	326,920,445	839,901,040	1,260,066,015	1,166,821,485	14,001,857.00
Surry	306	154,509,200	154,509,200	74,509,700	229,018,900	229,018,900	1,007,683.16
Sussex	496	163,422,157	163,422,157	82,581,428	246,003,585	246,003,585	1,254,622.35
Tazewell	522	324,704,480	280,256,230	581,208,426	905,912,906	861,464,656	4,824,201.48
Warren	219	206,164,590	174,093,090	392,638,700	598,803,290	566,731,790	2,776,985.77
Washington	571	379,630,240	252,583,115	625,325,370	1,004,955,610	877,908,485	5,355,244.75
Westmoreland	250	171,632,111	146,539,426	231,775,617	403,407,728	378,315,043	2,723,869.15
Wise	411	314,600,850	314,600,850	487,851,174	802,452,024	802,452,024	3,129,562.90
Wythe	460	208,213,475	178,535,246	331,382,770	539,596,245	509,918,016	2,243,639.44
York	135	499,498,500	473,816,800	884,882,800	1,384,381,300	1,358,699,600	7,744,587.72
Total Counties	38,969	$47,259,896,402	$42,313,305,951	$82,190,843,560	$129,450,739,962	$124,504,149,511	$1,196,840,699.41

**Virginia Department of Highways.*

†Represents use-values of land under use-value assessment.

‡Represents use-values of land under use-value assessment and fair market values of all other taxable real estate.

Table 5.4, continued

Real Estate—Area, Fair Market Values, Taxable Values and Local Levies on Land Books—Tax Year 1987—by Locality

Cities	Area in Square Miles*	Fair Market Values of Land	Taxable Values of Land†	Buildings and Improvements	Total Fair Market Values	Total Taxable Values‡	Total Local Levies
Alexandria	15	$2,352,421,609	$2,352,421,609	$5,144,141,900	$7,496,563,509	$7,496,563,509	$100,453,951.00
Bedford	7	23,627,050	23,627,050	106,735,600	130,362,650	130,362,650	1,029,864.94
Bristol	12	73,084,396	73,084,396	313,867,308	386,951,704	386,951,704	4,179,078.57
Buena Vista	7	18,232,890	17,882,315	83,942,425	102,175,315	101,824,740	997,874.80
Charlottesvile	10	216,834,600	216,834,600	875,367,700	1,092,202,300	1,092,202,300	12,341,885.99
Chesapeake	367	1,449,695,000	1,276,180,852	2,668,028,800	4,117,723,800	3,944,209,652	40,948,541.70
Clifton Forge	3	8,445,137	8,445,137	53,919,136	62,364,273	62,364,273	748,365.98
Colonial Heights	8	101,860,100	101,860,100	278,667,333	380,527,433	380,527,433	4,756,592.92
Covington	4	26,463,065	26,463,065	116,824,810	143,287,875	143,287,875	1,232,293.06
Danville	16	102,341,570	102,341,570	610,684,280	713,025,850	713,025,850	6,132,022.31
Emporia	2	19,558,170	19,558,170	83,885,930	103,444,100	103,444,100	775,835.82
Fairfax	6	342,962,500	342,962,500	825,397,000	1,168,359,500	1,168,359,500	12,618,282.60
Falls Church	2	297,595,050	297,595,050	400,558,900	698,153,950	698,153,950	6,841,908.71
Franklin	8	37,219,100	37,219,100	134,968,900	172,188,000	172,188,000	1,448,488.29
Fredericksburg	10	159,106,775	144,819,935	478,404,700	637,511,475	623,224,635	7,229,405.77
Galax	7	28,460,545	28,460,545	122,924,960	151,385,505	151,385,505	1,235,669.07
Hampton	72	648,679,700	642,555,200	2,534,173,300	3,182,853,000	3,176,728,500	36,214,704.90
Harrisonburg	18	238,211,500	212,950,900	592,774,100	830,985,600	805,725,000	5,801,220.00
Hopewell	11	95,498,100	95,498,100	341,142,100	436,640,200	436,640,200	5,588,994.56
Lexington	2	26,001,000	26,001,000	98,071,850	124,072,850	124,072,850	1,327,569.52
Lynchburg	50	245,736,000	238,971,150	1,182,880,200	1,428,616,200	1,421,851,350	15,924,735.12
Manassas	10	310,443,300	294,109,000	706,459,300	1,016,902,600	1,000,568,300	11,606,592.28
Manassas Park	2	46,880,253	46,880,253	106,243,800	153,124,053	153,124,053	2,587,796.00
Martinsville	10	74,524,400	74,524,400	308,911,150	383,435,550	383,435,550	2,914,110.18
Newport News	118	1,124,196,600	1,119,986,700	3,378,067,350	4,502,263,950	4,498,054,050	49,074,677.00
Norfolk	64	1,024,813,660	1,024,813,660	4,034,021,720	5,058,835,380	5,058,835,380	63,235,442.25
Norton	4	29,593,800	29,593,800	59,084,300	88,678,100	88,678,100	620,746.70
Petersburg	23	146,347,700	140,211,200	503,371,500	649,719,200	643,582,700	9,589,382.23
Poquoson	10	90,989,007	90,989,007	229,888,300	320,877,307	320,877,307	2,839,754.30
Portsmouth	46	495,967,000	495,656,400	1,582,169,220	2,078,136,220	2,077,825,620	25,347,089.00
Radford	8	42,166,530	41,791,530	186,858,320	229,024,850	228,649,850	1,714,874.06
Richmond	63	1,188,379,510	1,188,379,510	4,568,479,420	5,756,858,930	5,756,858,930	88,079,941.89
Roanoke	43	457,720,220	448,055,170	1,627,535,723	2,085,255,943	2,075,590,893	25,944,694.00
Salem	14	130,445,200	130,445,200	487,950,700	618,395,900	618,395,900	7,297,071.62
South Boston	5	25,149,275	25,149,275	101,766,405	126,915,680	126,915,680	1,269,156.80
Staunton	20	94,212,350	94,212,350	386,880,500	481,092,850	481,092,850	5,292,021.36
Suffolk	430	501,242,310	334,006,100	763,124,200	1,264,366,510	1,097,130,300	11,301,685.97
Virginia Beach	311	4,948,925,742	4,701,880,622	8,280,459,024	13,229,384,766	12,982,339,646	113,835,715.44
Waynesboro	13	111,155,240	106,978,940	368,056,650	479,211,890	475,035,590	4,607,845.22
Williamsburg	9	172,823,000	172,823,000	325,574,300	498,397,300	498,397,300	2,541,826.23
Winchester	9	167,590,900	167,590,900	508,802,900	676,393,800	676,393,800	5,411,150.40
Total Cities	1,849	$17,695,599,854	$17,013,809,361	$45,561,066,014	$63,256,665,868	$62,574,875,375	$702,938,858.56
Aggregate	40,818	$64,955,496,256	$59,327,115,312	$127,751,909,574	$192,707,405,830	$187,079,024,886	$1,899,779,557.97

**Virginia Department of Highways.*

†Represents use-values of land under use-value assessment.

‡Represents use-values of land under use-value assessment and fair market values of all other taxable real estate.

Table 5.5

Tangible Personal Property, Machinery and Tools, and Merchants' Capital, Local Values and Levies Assessed on Property Books, Public Service Corporations Assessed Values and Local Levies—Tax Year 1987—by Locality

Counties	Tangible Personal Property		Machinery and Tools		Merchants' Capital[1]		Total Local		Public Service Corporations	
	Values	Levies	Values	Levies	Values	Levies	Values	Levies	Assessed Values	Local Levies
Accomack	$85,286,236	$2,434,801 58	$18,708,049	$640,230 93	—	—	$103,994,285	$3,075,032 51	$62,506,173	$472,650 57
Albemarle	176,923,102	7,372,601 16	20,139,040	886,117 76	—	—	197,062,142	8,258,718 92	114,672,315	884,281 65
Alleghany	17,972,136	895,832 20	30,853,975	1,835,811 55	—	—	48,826,111	2,731,643 75	31,429,293	239,046 32
Amelia	26,660,443	696,781 85	2,643,818	39,657 27	—	—	29,304,261	736,439 12	14,018,593	94,539 46
Amherst	32,946,489	1,209,617 09	4,632,570	231,628 50	$3,033,830	$119,836 54	40,612,889	1,561,082 13	39,971,595	252,228 87
Appomattox	21,580,440	562,647 71	3,184,860	111,470 10	2,750,780	27,507 80	27,516,080	701,625 61	34,311,386	219,286 22
Arlington	642,711,249	28,279,287 17	4,749,200	208,964 80	—	—	647,460,449	28,488,251 97	578,670,697	4,770,808 82
Augusta	76,425,100	2,369,178 10	18,004,270	558,132 37	—	—	94,429,370	2,927,310 47	103,965,670	631,293 92
Bath	17,594,300	68,617 76	200,000	780 00	—	—	17,794,300	69,397 76	1,407,406,044	5,488,883 57
Bedford	63,289,165	1,844,147 96	10,504,480	483,206 08	3,125,590	68,762 98	76,919,235	2,396,117 02	114,484,274	698,354 09
Bland	20,106,300	147,404 15	2,169,300	15,835 89	2,057,000	15,016 10	24,332,600	178,256 14	7,778,231	58,336 36
Botetourt	31,678,520	1,609,341 46	9,432,970	565,978 20	—	—	41,111,490	2,175,319 66	68,247,460	511,855 98
Brunswick	36,891,310	958,830 86	2,126,780	85,071 20	4,267,390	51,208 68	43,285,480	1,095,110 74	26,628,911	122,837 88
Buchanan	81,315,900	1,343,728 85	111,897,500	2,182,001 25	1,926,900	38,538 00	195,140,300	3,564,268 10	68,618,213	379,463 97
Buckingham	24,734,815	573,027 78	1,143,509	33,161 78	1,825,926	18,259 26	27,704,250	624,448 82	41,239,587	169,293 96
Campbell	116,829,960	2,933,786 52	36,002,190	1,134,068 99	12,344,380	388,847 97	165,176,530	4,456,703 48	111,720,356	513,218 00
Caroline	33,549,386	1,093,106 28	2,891,600	96,868 59	2,291,190	76,754 87	38,732,176	1,266,729 74	47,964,762	327,303 05
Carroll	39,939,275	925,792 81	2,645,695	79,370 85	3,143,200	72,293 60	45,728,170	1,077,457 26	36,418,805	155,779 12
Charles City	17,497,000	751,576 35	2,347,600	70,428 00	227,900	6,381 20	20,072,500	828,385 55	15,918,631	205,350 39
Charlotte	16,569,405	494,748 97	1,881,640	79,028 52	699,950	22,398 40	19,150,995	596,175 89	32,354,601	162,007 11
Chesterfield	598,804,603	20,895,797 43	225,785,785	2,260,678 09	—	—	824,590,388	23,156,475 52	609,680,760	6,421,191 04
Clarke	30,711,350	1,219,890 50	3,427,360	34,273 60	—	—	34,138,710	1,254,164 10	17,822,241	124,847 00
Craig	4,593,459	143,591 33	228,710	12,579 05	223,071	7,807 49	5,045,240	163,977 87	6,226,105	35,243 58
Culpeper	37,382,582	1,722,988 66	10,324,900	516,245 00	8,933,348	223,333 94	56,640,830	2,462,567 60	55,036,474	359,785 34
Cumberland	12,370,940	495,816 26	—	—	1,242,103	4,968 36	13,613,043	500,784 62	31,288,594	96,994 64
Dickenson	14,197,512	794,028 34	8,593,506	1,884,243 80	523,382	61,913 51	23,314,400	2,740,185 65	41,872,612	248,653 96
Dinwiddie	44,671,058	1,840,080 34	2,215,605	73,114 98	—	—	46,886,663	1,913,205 32	55,072,040	444,110 73
Essex	24,959,415	778,825 58	797,250	27,903 75	2,313,420	86,753 48	28,070,085	893,482 81	12,723,921	57,394 60
Fairfax	3,407,130,033	139,599,794 30	91,079,453	3,415,479 89	—	—	3,498,209,486	143,015,274 19	1,095,460,396	14,743,248 54
Fauquier	163,901,384	5,501,986 87	9,450,989	326,059 18	28,080,791	2,808 24	201,433,164	5,830,854 29	99,330,675	730,512 52
Floyd	26,984,834	311,428 34	1,148,353	14,354 38	634,535	22,208 73	28,767,722	347,991 45	18,011,264	117,400 15
Fluvanna	24,656,910	840,403 57	698,800	13,976 00	981,980	15,220 69	26,337,690	869,600 26	102,554,434	570,919 19
Franklin	43,049,230	1,303,790 45	1,873,291	101,157 65	3,177,773	171,599 80	48,100,294	1,576,547 90	54,597,195	277,941 83
Frederick	107,457,331	4,113,291 12	30,908,948	1,313,630 43	6,365,465	254,618 60	144,731,744	5,681,540 15	95,852,972	547,562 49
Giles	20,043,860	978,132 36	11,629,457	814,061 99	2,401,200	115,257 60	34,074,517	1,907,451 95	88,200,857	989,765 38
Gloucester	69,722,904	1,912,178 89	542,660	17,636 45	—	—	70,265,564	1,929,815 34	31,548,584	220,978 48
Goochland	39,600,330	1,487,520 99	3,008,411	120,336 44	—	—	42,608,741	1,607,857 43	29,056,937	209,668 07
Grayson	7,828,660	222,649 52	1,345,770	90,166 59	320,990	21,506 33	9,495,420	334,322 44	16,179,663	97,077 97
Greene	6,759,710	579,907 75	3,026,769	22,700 74	—	—	9,786,479	602,608 49	11,453,104	85,898 32
Greensville	28,306,130	952,867 62	12,448,208	311,205 20	—	—	40,754,338	1,264,072 82	18,578,621	91,590 19
Halifax	32,735,933	1,169,812 83	15,784,080	615,579 12	—	—	48,520,013	1,785,391 95	55,362,832	202,970 26
Hanover	220,391,214	7,803,480 16	13,129,653	477,919 37	14,426,820	375,097 32	247,947,687	8,656,496 85	110,355,005	777,754 79
Henrico	772,769,228	26,708,128 00	128,256,464	1,289,408 00	—	—	901,025,692	27,997,536 00	327,433,936	3,329,188 00
Henry	43,865,406	1,680,523 97	33,292,992	2,327,180 12	—	—	77,158,398	4,007,704 09	70,471,683	380,547 08
Highland	3,364,940	103,934 00	59,060	2,362 40	149,620	5,984 80	3,573,620	112,281 20	11,461,668	64,143 33
Isle of Wight	87,468,594	2,799,142 27	277,111,781	2,521,717 09	—	—	364,580,375	5,320,859 36	52,298,227	379,608 08
James City	107,471,873	3,749,912 93	68,082,671	2,723,306 84	—	—	175,554,544	6,473,219 77	57,401,317	378,207 04
King George	37,420,185	948,501 24	1,416,360	28,327 20	—	—	38,836,545	976,828 44	16,654,478	146,559 40
King & Queen	25,153,805	289,921 69	2,915,545	23,907 49	754,825	4,906 42	28,824,175	318,735 60	8,110,152	66,503 26
King William	26,219,282	821,797 55	24,717,705	304,405 26	1,208,843	21,291 19	52,145,830	1,147,494 00	23,324,705	184,088 75
Lancaster	25,054,126	817,118 00	80,400	3,055 20	8,123,172	81,231 72	33,257,698	901,404 92	17,513,073	79,447 81
Lee	19,373,759	552,098 00	7,753,244	246,915 69	1,394,090	17,426 45	28,521,093	816,440 14	50,376,586	281,035 11
Loudoun	300,248,639	10,899,461 56	12,307,605	339,908 01	—	—	312,556,244	11,239,369 57	164,278,153	1,473,824 80
Louisa	26,786,512	573,624 48	2,903,277	49,355 71	3,524,023	22,906 17	33,213,812	645,886 36	1,481,000,903	7,127,454 00
Lunenburg	28,947,933	548,218 69	4,871,561	102,302 78	2,001,988	24,023 86	35,821,482	674,545 33	20,467,532	116,679 64

Table 5.5, continued

Tangible Personal Property, Machinery and Tools, and Merchants' Capital, Local Values and Levies Assessed on Property Books, Public Service Corporations Assessed Values and Local Levies—Tax Year 1987—by Locality

Counties	Tangible Personal Property		Machinery and Tools		Merchants' Capital		Total Local		Public Service Corporations	
	Values	Levies	Values	Levies	Values	Levies	Values	Levies	Assessed Values	Local Levies
Madison	$9,659,505	$567,094.44	$185,410	$10,197.55	$1,114,800	$47,936.40	$10,959,715	$625,228.39	$16,610,622	$117,945.72
Mathews	25,739,220	651,700.04	—	—	—	—	25,739,220	651,700.04	10,992,399	58,259.71
Mecklenburg	41,538,864	1,106,094.80	9,281,406	301,645.73	11,896,197	172,495.07	62,716,467	1,580,235.60	50,844,888	242,857.07
Middlesex	30,555,556	784,847.03	227,900	6,837.00	1,645,300	20,566.54	32,428,756	812,250.57	16,504,623	74,270.49
Montgomery	49,044,051	2,221,863.29	4,375,420	331,219.34	7,898,045	544,965.11	61,317,516	3,098,047.74	91,087,379	630,922.45
Nelson	26,746,200	761,261.58	1,912,570	23,907.17	—	—	28,658,770	785,168.75	39,908,744	254,784.76
New Kent	32,005,250	898,405.22	1,230,300	36,909.00	—	—	33,235,550	935,314.22	25,550,000	224,937.52
Northampton	31,304,100	715,557.35	2,836,300	70,893.58	823,700	51,080.45	34,964,100	837,531.38	25,261,989	195,134.96
Northumberland	20,858,480	585,744.61	698,845	23,061.89	825,820	19,819.68	22,383,145	628,626.18	15,167,025	83,418.64
Nottoway	33,112,363	787,738.68	2,462,757	65,263.13	11,943,571	65,689.76	47,518,693	918,691.57	34,306,348	161,068.16
Orange	37,315,964	1,707,400.03	6,865,860	377,622.30	13,649,250	54,597.00	57,831,074	2,139,619.33	59,421,053	379,416.01
Page	51,787,945	671,076.21	6,804,220	85,052.77	3,036,320	45,545.28	61,628,485	801,674.26	25,704,269	136,443.00
Patrick	23,869,170	741,052.38	3,850,820	161,734.44	2,543,138	89,010.53	30,263,148	991,797.35	19,756,060	94,829.10
Pittsylvania	78,840,118	1,873,972.93	25,613,934	768,418.02	7,086,846	194,888.28	111,540,898	2,837,279.23	135,761,902	487,661.19
Powhatan	28,601,890	565,445.97	2,301,287	46,025.74	—	—	30,903,177	611,471.71	27,229,560	207,175.70
Prince Edward	17,624,158	581,375.56	1,583,800	51,473.52	13,865,300	97,057.10	33,073,258	731,906.18	38,654,409	207,810.42
Prince George	55,775,335	1,724,421.45	1,286,829	19,302.49	—	—	57,062,164	1,743,723.94	31,121,335	242,798.89
Prince William	523,001,564	19,941,893.42	24,750,568	31,964.25	—	—	547,752,132	19,973,857.67	510,950,829	6,731,880.00
Pulaski	38,113,195	1,199,266.00	13,684,880	656,874.24	4,154,484	199,415.23	55,952,559	2,055,555.47	50,471,925	255,157.35
Rappahannock	15,309,980	446,190.67	—	—	—	—	15,309,980	446,190.67	11,232,980	77,507.60
Richmond	18,888,310	603,781.20	1,799,740	33,672.70	1,312,610	45,941.35	22,000,660	683,395.25	18,508,714	118,100.51
Roanoke	226,490,225	7,807,809.85	29,669,577	890,087.31	—	—	256,159,802	8,697,897.16	92,127,152	1,063,932.61
Rockbridge	33,947,153	1,399,456.44	4,500,221	202,509.98	—	—	38,447,374	1,601,968.42	49,701,124	275,666.14
Rockingham	186,879,040	3,296,626.72	52,294,820	1,045,896.40	27,693,650	124,622.11	266,867,510	4,467,145.23	81,072,268	507,695.52
Russell	76,850,094	844,193.13	21,689,351	260,272.22	920,814	52,946.88	99,460,259	1,157,412.23	157,175,301	960,994.29
Scott	38,376,600	267,761.44	19,631,162	141,344.36	7,271,456	52,354.48	65,279,218	461,460.28	33,504,478	194,325.95
Shenandoah	99,838,500	1,700,244.75	41,149,500	757,150.80	16,250,100	97,500.60	157,238,100	2,554,896.15	51,616,975	292,140.44
Smyth	86,011,710	507,778.66	41,412,940	248,477.64	15,585,940	93,515.64	143,010,590	849,771.94	56,909,844	284,745.54
Southampton	54,223,528	1,819,828.34	8,075,658	193,815.77	4,123,205	20,616.18	66,422,391	2,034,260.29	29,547,364	110,851.80
Spotsylvania	120,100,029	2,691,253.97	12,707,560	317,689.03	—	—	132,807,589	3,008,943.00	69,682,591	492,844.00
Stafford	92,449,200	4,041,128.80	12,815,510	96,116.39	18,351,050	91,755.25	123,615,760	4,229,000.44	68,742,114	849,908.02
Surry	41,423,861	1,294,900.24	170,600	5,971.00	336,480	5,047.20	41,930,941	1,305,918.44	880,382,075	3,873,681.12
Sussex	25,726,268	953,372.95	5,357,342	254,473.77	5,438,011	54,380.12	36,521,621	1,262,226.84	25,818,494	136,733.90
Tazewell	149,712,108	2,616,763.16	33,166,552	663,331.04	9,404,723	404,403.25	192,283,383	3,684,497.45	54,859,941	312,108.43
Warren	67,817,085	1,569,773.74	17,100,466	342,009.32	—	—	84,917,551	1,911,783.06	32,011,776	159,889.56
Washington	126,991,758	1,380,584.79	65,003,871	738,279.98	—	—	191,995,629	2,118,864.77	47,355,568	289,484.50
Westmoreland	57,033,730	942,809.55	2,227,140	33,407.10	5,704,070	37,646.84	64,964,940	1,013,863.49	20,472,466	147,617.85
Wise	59,614,905	1,658,914.59	36,104,890	2,375,701.80	18,824,780	536,507.04	114,544,575	4,571,123.43	79,901,109	339,229.00
Wythe	92,069,144	869,214.98	18,810,801	188,108.01	22,680,616	127,011.45	133,560,561	1,184,334.44	57,992,718	261,617.16
York	96,878,005	3,771,653.14	14,446,150	595,162.85	—	—	111,324,155	4,366,815.99	343,719,260	1,923,524.60
Total Counties	$10,973,028,356	$380,297,766.30	$1,845,462,626	$44,215,145.75	$358,855,773	$5,793,984.92	$13,177,346,755	$430,306,896.97	$11,403,022,973	$80,884,905.26

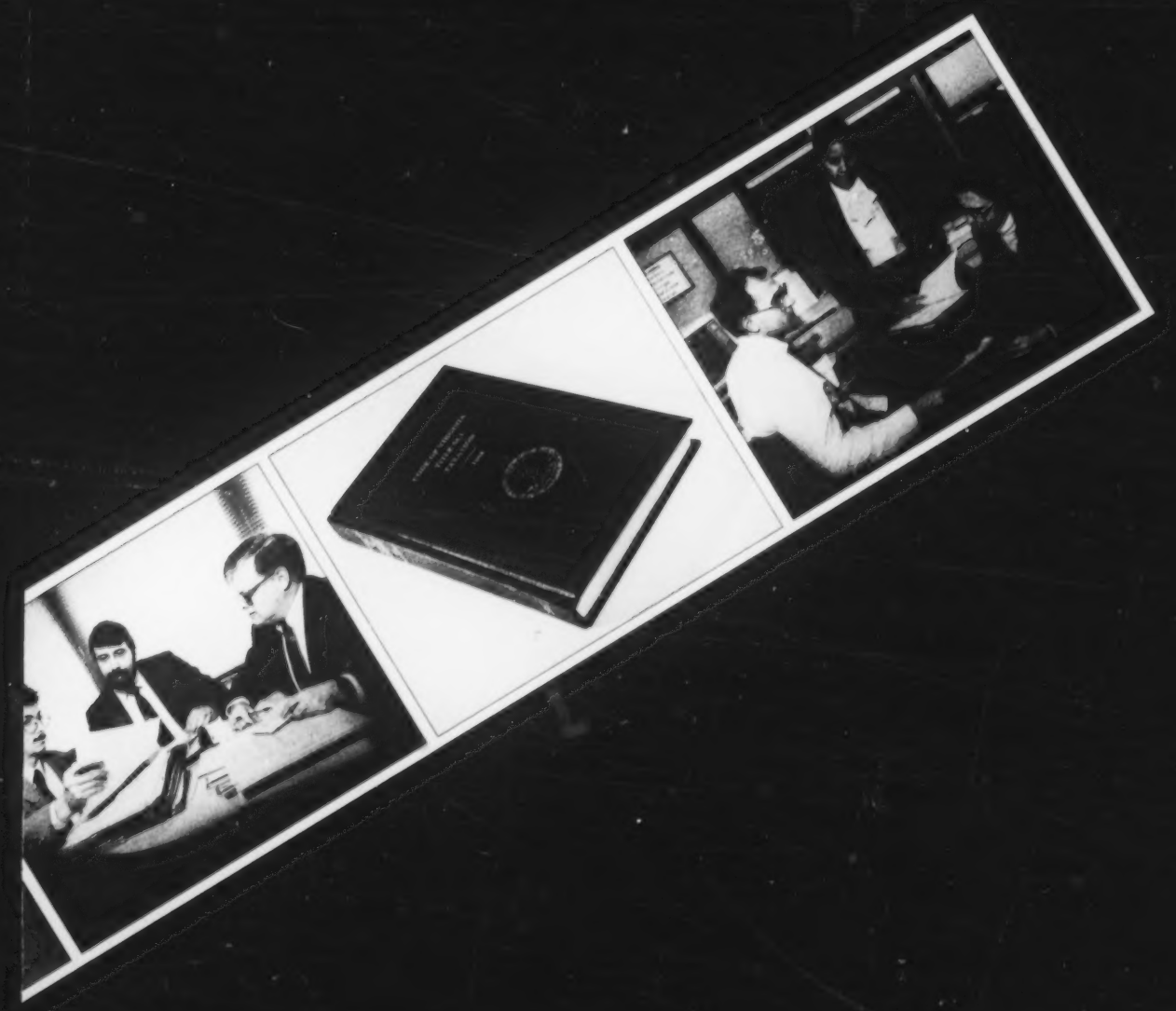
Table 5.5, continued

Tangible Personal Property, Machinery and Tools, and Merchants' Capital, Local Values and Levies Assessed on Property Books, Public Service Corporations Assessed Values and Local Levies—Tax Year 1987—by Locality

	Tangible Personal Property		Machinery and Tools		Merchants' Capital		Total Local		Public Service Corporations	
Cities	Values	Levies	Values	Levies	Values	Levies	Values	Levies	Assessed Values	Local Levies
Alexandria	$397,711,756	$17,319,689.53	$6,493,815	$292,221.76	—	—	$404,205,571	$17,611,911.29	$352,682,177	$4,725,941.16
Bedford	18,181,863	269,861.60	22,175,173	288,277.25	—	—	40,357,036	558,138.85	9,665,671	77,245.92
Bristol	15,919,099	723,722.17	7,752,243	387,612.15	—	—	23,671,342	1,111,334.32	8,947,547	96,333.48
Buena Vista	11,130,060	429,408.00	2,776,330	111,053.20	—	—	13,906,390	540,461.20	6,860,425	78,046.21
Charlottesville	70,634,671	3,033,063.95	4,547,927	197,380.03	—	—	75,182,598	3,230,443.98	76,629,573	898,653.38
Chesapeake	320,692,592	12,462,263.06	20,274,800	644,679.90	—	—	340,967,392	13,106,942.96	445,621,980	4,591,832.76
Clifton Forge	8,121,741	271,505.27	34,356	1,150.92	—	—	8,156,097	272,656.19	10,063,703	120,935.80
Colonial Heights	41,712,210	1,459,927.75	8,529,230	170,584.60	—	—	50,241,440	1,630,512.35	16,945,852	211,823.16
Covington	11,187,150	553,878.05	16,230,155	897,572.60	—	—	27,417,305	1,451,450.65	13,963,611	125,280.54
Danville	109,652,111	3,158,875.89	30,224,095	453,361.68	—	—	139,876,206	3,612,237.57	36,058,569	319,999.93
Emporia	10,140,139	508,108.55	1,830,190	92,692.95	—	—	11,970,329	600,801.50	12,092,303	90,692.29
Fairfax	105,892,572	3,166,197.77	1,602,712	47,921.09	—	—	107,495,284	3,214,118.86	61,685,544	707,218.97
Falls Church	40,855,082	1,802,711.67	4,613,783	235,999.58	—	—	45,468,865	2,038,711.25	12,256,563	126,598.84
Franklin	17,886,860	590,266.38	1,354,503	27,090.06	—	—	19,241,363	617,356.44	6,127,866	50,248.51
Fredericksburg	61,942,940	1,847,834.96	18,305,325	91,526.80	—	—	80,248,265	1,939,361.76	37,522,308	436,553.36
Galax	4,988,091	271,480.01	4,734,320	334,716.45	—	—	9,722,411	606,196.46	8,630,033	79,779.04
Hampton	300,781,183	13,270,961.74	18,335,465	365,727.26	—	—	319,116,648	13,636,689.00	135,289,049	1,604,307.68
Harrisonburg	103,855,350	1,542,875.31	28,283,000	424,245.00	—	—	132,138,350	1,967,120.31	23,065,289	169,796.90
Hopewell	31,653,536	1,375,384.64	101,761,743	3,403,083.99	—	—	133,415,279	4,778,468.63	38,410,843	495,518.52
Lexington	10,501,948	571,508.51	—	—	—	—	10,501,948	571,508.51	8,736,317	94,109.42
Lynchburg	151,532,405	4,175,557.04	68,358,126	2,046,943.77	—	—	219,890,531	6,222,500.81	105,178,050	1,194,306.05
Manassas	98,978,201	2,590,326.11	115,259,795	3,227,409.47	—	—	214,237,996	5,817,735.58	35,403,855	410,684.72
Manassas Park	17,192,385	601,733.00	1,339,229	13,392.00	—	—	18,531,614	615,125.00	3,187,984	53,876.93
Martinsville	33,769,099	759,814.46	35,306,418	653,168.74	—	—	69,075,517	1,412,983.20	18,102,346	137,577.82
Newport News	401,158,808	16,207,513.06	156,550,923	4,226,874.95	—	—	557,709,731	20,434,388.01	178,875,314	1,993,446.86
Norfolk	640,200,774	22,446,617.00	71,836,684	1,149,386.00	—	—	712,037,458	23,596,003.00	360,541,335	4,612,522.00
Norton	13,206,200	218,730.65	648,500	11,997.25	—	—	13,854,700	230,727.90	22,226,882	159,209.09
Petersburg	75,277,816	2,316,430.86	19,812,711	614,194.07	—	—	95,090,527	2,930,624.93	70,020,079	1,059,802.64
Poquoson	28,033,670	1,099,771.48	—	—	—	—	28,033,670	1,099,771.48	5,680,898	49,567.95
Portsmouth	340,827,377	10,264,456.40	27,432,727	480,072.73	—	—	368,260,104	10,744,529.13	99,081,187	1,241,948.64
Radford	19,895,030	542,457.05	7,645,710	214,079.88	—	—	27,540,740	756,536.93	12,302,429	93,834.95
Richmond	871,529,400	27,095,236.90	399,896,052	7,598,025.09	—	—	1,271,425,452	34,693,261.99	539,532,931	8,352,503.43
Roanoke	217,704,217	7,483,566.00	84,903,236	3,012,432.00	—	—	302,607,453	10,495,998.00	169,872,350	2,430,401.00
Salem	90,840,401	2,873,406.23	31,516,597	1,016,516.04	—	—	122,356,998	3,889,922.27	23,985,786	286,030.72
South Boston	15,784,860	472,784.01	1,463,435	40,244.66	—	—	17,248,295	513,028.67	11,218,856	122,280.46
Staunton	31,005,441	1,543,007.68	1,147,510	57,375.50	—	—	32,152,951	1,600,383.18	37,833,284	425,186.92
Suffolk	75,451,090	4,345,650.00	8,993,880	566,614.00	—	—	84,444,970	4,912,264.00	86,816,971	929,376.00
Virginia Beach	1,070,540,123	39,463,376.19	16,611,226	166,112.26	—	—	1,087,151,349	39,629,488.45	365,769,288	3,269,177.00
Waynesboro	33,354,749	1,604,789.71	24,799,618	1,153,182.27	—	—	58,154,367	2,757,971.98	24,008,071	237,094.44
Williamsburg	30,227,490	1,055,715.01	37,370	1,320.20	—	—	30,264,860	1,057,035.21	22,486,663	115,055.07
Winchester	75,648,348	2,647,692.18	56,248,525	562,485.25	—	—	131,896,873	3,210,177.43	25,900,544	209,388.25
Total Cities	$6,025,598,838	$214,438,155.83	$1,429,667,437	$35,278,723.40	—	—	$7,455,266,275	$249,716,879.23	$3,559,198,352	$42,484,196.81
Aggregate	$16,998,627,194	$594,735,922.13	$3,275,130,063	$79,493,869.15	$358,855,773	$5,793,984.92	$20,632,613,030	$680,023,776.20	$14,962,221,325	$123,369,102.07

(Opposite): Photos (from left): Tax Policy Analysts Paul Izzo, Mark Haskins and John Josephs prepare legislative impact statements. Title 58.1 of the Code of Virginia contains the Commonwealth's laws regarding Taxation. Economist Supervisor Stuart Carter (right) examines policy and fiscal impacts of proposed legislation with Tax Policy Analysts Frank Uvanni and Lana Pope.

Legislative Summary



Legislative Summary

The following summary represents a brief look at state tax legislation passed by the General Assembly in Fiscal Year 1988. It does not cover local tax legislation. The Department of Taxation provides a more complete summary of state and local tax legislation in the *Legislative Digest*, published annually by the Tax Policy Division.

Individual Income Tax

Check-Offs:

Three bills were passed to allow taxpayers to contribute a portion of an individual income tax refund to: The Open Space Recreation and Conservation Fund; The United States Olympic Committee; or The Housing for the Homeless, Elderly and Disabled Fund.

Open Space Recreation: House Bill 197 enacted Va. Code 58.1-345.1 to allow any individual to voluntarily designate all or part of his income tax refund to the Open Space Recreation and Conservation Fund for use by the Department of Conservation and Historic Resources. No contribution may be less than $1.00. Effective Date: Taxable years beginning on and after January 1, 1988 through December 31, 1993.

U.S. Olympic Committee: House Bill 257 enacted Va. Code 58.1-346.1 to allow any individual to voluntarily designate all or part of his income tax refund to the U.S. Olympic Committee. No minimum contribution is specified. Effective Date: Taxable years beginning on and after January 1, 1988 through December 31, 1993.

Housing: House Bill 990 enacted Va. Code 58.1-346.2 to allow any individual to designate all or part of his income tax refund to the Housing for the Homeless, Elderly, and Disabled Fund to be used by the Department of Housing and Community Development to provide assistance to emergency shelters for the homeless, or for housing for the elderly and physically or mentally disabled. No contribution may be less than $1.00. Effective Date: Taxable years beginning on and after January 1, 1988 through December 31, 1993.

Crime Solver Rewards:

1. House Bill 916 amends Va. Code 58.1-322 to provide an individual income tax subtraction for rewards received for providing information to any law enforcement agency or official or to any nonprofit corporation created exclusively to assist law-enforcement

(Below): Janie Bowen, (left) Assistant Director of the Tax Policy Division, discusses issues raised in a legislative subcommittee meeting with Senior Tax Policy Analysts Tim Winks and Peggy Ware.

officials or agencies in the apprehension and conviction of perpetrators of crimes. The subtraction is limited to a maximum of $1,000 and is not applicable to:

(1) individuals employed by or under contract with a law-enforcement agency;
(2) a victim or the perpetrator of a crime for which the reward was paid; or
(3) any other person compensated for the investigation of crimes or accidents.

Effective Date: Taxable years beginning on and after January 1, 1988.

2. House Bill 1056 amends Va. Code 58.1-441 to specifically prohibit the Department of Taxation from requiring nonprofit organizations created exclusively to assist law-enforcement officials or agencies in the apprehension and conviction of perpetrators of crimes to report the names of individuals or amounts paid to individuals for providing information about crimes. Effective Date: July 1, 1988.

Lump Sum Distributions: House Bill 223 amends Va. Code 58.1-322 to delete unnecessary language to clarify that lump sum distributions from a qualified retirement plan are not taken into account when calculating the standard deduction. This technical correction was necessary due to the Virginia Tax Reform Act of 1987, which changed the standard deduction from a percentage of federal adjusted gross income to a flat amount. Effective Date: Taxable years beginning on and after January 1, 1987.

Retirement Income Deduction: House Bill 910 and Senate Bill 6 provide a deduction from federal adjusted gross income for the first $3,000 in retirement benefits received by any person aged 62

or over. The $3,000 deduction is reduced by any Social Security or other nontaxable retirement benefits received during the taxable year. Taxpayers would be limited to either this $3,000 deduction or the age credit, but not both. Effective Date: Taxable years beginning on and after January 1, 1990. Va. Code Affected: 58.1-322 and 58.1-330.

Virginia Tuition Savings Program: House Bill 175 creates the Virginia Tuition Savings Program to encourage families to save money to pay for children's higher education expenses and provide a convenient method for such savings. As a part of the Individual Income Tax packets, the Department of Taxation distributed a financial analysis of higher education expenses. Effective Date: July 1, 1988. Code Affected: 23-38.12 and 23-38.73.

Corporate Income Tax

Accelerated Cost Recovery System: (Also applicable to individuals) Senate Bill 441 permits any taxpayer who filed a final federal and Virginia return for a taxable year beginning before January 1, 1988, to apply for a refund of the outstanding amounts of excess cost recovery which have not been previously subtracted. Effective Date: July 1, 1988 Va. Code Affected: 58.1-323.1.

Coal Cogeneration Credit: House Bill 748 creates a corporate income tax credit for cogenerators. Corporations which qualify as "cogenerators" or "small power producers" under federal law and regulations may claim a credit against Virginia corporate income tax based on the number of tons of Virginia coal purchased. The credit is computed at $1.00 for each ton of coal mined in Virginia for taxable years beginning on and after January 1, 1988 and $2.00 per ton for taxable years beginning on and after January 1, 1989. Effective Date: Taxable years beginning on and after January 1, 1988. Expiration Date: December 31, 1996. Va. Code Affected: 58.1-433 and 58.1-2600.

Taxation of S Corporations: House Bill 222 clarifies that Virginia will continue to tax only individuals as shareholders on the income of S corporations by reinstating the corporate income tax exemption for S corporations prior to the enactment of the Virginia Technical Corrections Act of 1987. Effective Date: Taxable years beginning on and after January 1, 1987. Va. Code Affected: 58.1-401.

(Above) Albert Missimer from the Research Division develops statistical tables for the agency Annual Report.

Staff from the Technical Services and Compliance sections consult with each other regarding sales tax and corporate cases. (From left): Larry Brooks, Don Miller and Lucy Wynn.

Telecommunications Companies: Senate Bill 312 subjects telecommunications companies (telephone and telegraph) to the corporate income tax in lieu of the public service corporation license tax on gross receipts and the pole line tax. This change will be phased in over a 10-year period which will begin for taxable years beginning on and after January 1, 1989. Va. Code Affected: 58.1-333; 58.1-400.1; 58.1-401; 58.1-403; 58.1-430; 58.1-433; 58.1-2600; 58.1-2605; 58.1-2608; 58.1-2621; 58.1-2622; 58.1-2623; 58.1-2624; 58.1-2625; 58.1-2628; 58.1-2629; 58.1-2631; 58.1-2633; 58.1-2640; 58.1-2647; 58.1-2648; 58.1-2650; 58.1-2651; and 58.1-2660.

Estimated Income Tax

Filing Threshold for Individuals, Estates and Trusts: House Bill 221 conforms the threshold for filing a declaration of estimated income tax by estates and trusts to that of individual taxpayers, and makes a technical change to clarify that the threshold for individual taxpayers is computed based upon tax liability. As a result, the threshold below which individuals, estates and trusts are not required to file a declaration will be computed based upon Virginia tax liability. Emergency Regulations 630-2-490.2 (Individuals) and 630-5-490 (Estates and Trusts) require the filing of a declaration when the tax liability exceeds $150. Effective Date: Taxable years beginning on and after January 1, 1987. Va. Code Affected: 58.1-490.

Withholding Tax

Eighth-Monthly Filing: Senate Bill 312 accelerates the payment of withholding taxes by requiring large employers to file and pay the tax as often as eight times a month instead of four, with payments to be made on the same payment dates as required for federal withholding taxes. Effective Date: July 1, 1988. Va. Code Affected: 58.1-472.

Partnership Income Tax

Partnership Returns: House Bill 242 repeals the requirement that partnerships file a Virginia income tax return. The Tax Commissioner is granted the authority to require that partnerships, on request, furnish a copy of federal income tax returns and other schedules if deemed necessary. Effective Date: This bill contained an emergency clause and was effective on March 23, 1988. Va. Code Affected: 58.1-392, 58.1-393, and 58.1-394.

Sales and Use Taxes

Contractors' Use Tax: House Bill 555 levies a special state use tax on motor vehicles, machinery and tools, aircraft, and equipment brought into Virginia for use in performing construction contracts. The special use tax would not apply to

articles purchased in a state that does not impose a similar use tax upon Virginia contractors. Effective Date: March 30, 1988. Va. Code Affected: 58.1-604.1, 58.1-604.2 and 58.1-604.3.

Diesel Fuel Excise Tax: Senate Bill 312 clarifies that the sales and use tax does not apply to the federal excise tax on diesel fuel if the excise tax is separately stated by the vendor. Effective Date: April 1, 1988. Va. Code Affected: 58.1-602.

Exemption for Telecommunications Entitles: Senate Bill 312 clarifies that telecommunications entities which become subject to the corporate income tax (in lieu of the gross receipts tax) will continue to be entitled to the sales and use tax exemption which they currently enjoy. Effective Date: July 1, 1988. Va. Code Affected: 58.1-608.

Reporting of Sales Tax Data to Towns: Senate Bill 311 authorizes any town to require that sales and use tax dealers within the town furnish an annual statement of the amount of tax collected or assessed which is attributable to the town. Effective Date: July 1, 1988. Va. Code Affected: 58.1-3128.1.

Sales and Use Tax Expenditure Study: Senate Joint Resolution 70 requires the Secretary of Finance to conduct an expenditure study of sales and use tax exemptions. Effective Date: July 1, 1988. Va. Code Affected: 58.1-601.

Watercraft Sales and Use Tax

Purchases by Volunteer Fire and Rescue Squads: House Bill 745 exempts from the watercraft sales and use tax watercraft purchased by a volunteer rescue squad or volunteer fire department. Effective Date: Retroactive to July 1, 1986. Va. Code Affected: 58.1-1404.

Set Off Debt Collection Act

House Bill 148 requires that:

(1) claimant agencies participating in the Set-Off Debt Collection program reimburse the General Fund for interst paid on tax refunds that have been erroneously set off;

(2) the Department of Taxation provide an annual statement on the operating cost of the set-off debt collection program to the Chairmen of the House and Senate Finance and House Appropriations Committees; and

(3) the annual statement furnished to legislative committees include the amount of interest paid by claimant agencies as the result of erroneously set off refunds.

Effective Date: July 1, 1988. Va. Code Affected: 58.1-531 and 58.1-531.1.

Application of Funds on Deposit: House Bill 1017 and Senate Bill 322 expand the collection remedy provided under the Set Off Debt Collection Act by specifying that a claimant agency may apply any funds that it has on deposit for a debtor to the payment of any debt that the debtor may owe to the claimant agency. Effective Date: July 1, 1988. Va. Code Affected: 58.1-535.

Grantor's, Recordation and Probate Tax

Conveyance by Church: House Bill 628 exempts from the grantor's tax a deed conveying real estate from a church or religious body. The exemption applies only to the grantor's tax and not to other recordation taxes imposed on a deed. Effective Date: July 1, 1988. Va. Code Affected: 58.1-811.

Exemption for Corporate Reorganizations: House Bill 806 exempts from the state and local recordation taxes a deed conveying real estate to a corporation in exchange for the corporation's stock when the transaction qualifies as a reorganization under 368(a)(1)(C) of the Internal Revenue Code. Effective Date: July 1, 1988. Code Affected: 58.1-811 and 58.1-812.

Property in Multiple Jurisdictions: House Bill 399 changes the procedure for collection of the grantor's tax when property is located in two or more jurisdictions to require each clerk of court to collect only the portion of tax due to his locality. Effective Date: July 1, 1988. Va. Code Affected: 58.1-802.

Escheat Proceedings: House Bill 67 contains multiple provisions relating to proceedings to escheat real estate on which local taxes have not been paid. Among the provisions is an exemption from all state and local recordation taxes for grants in escheat proceedings. Effective Date: July 1, 1988. Va. Code Affected: 55-172, 55-175, 55-186, and 55-200.

Probate Tax Exemption: Senate Bill 324 increases to $5,000 the amount of an estate which is subject to the $1.00 minimum tax on wills and administration (probate tax). Amounts over $5,000 would be taxed at the rate of $1.00 plus 10¢ per $100. Effective Date: July 1, 1988. Va. Code Affected: 58.1-1712.

Miscellaneous Provisions

Beer and Beverage Tax: House Bill 496 transfers responsibility for administering the beer and beverage tax from the Department of Taxation to the Department of Alcoholic Beverage Control. Effective Date: July 1, 1988. Va. Code Affected: 4-44, 4-65, 4-66, 4-99, 4-127 through 4-145 and 58.1-700 through 58.1-718.

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